METHOD OF ASSESSMENT OF ENTREPRENEURIAL ABILITY BASED ON KEY PERFORMANCE INDICATORS (KPI)

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Layli Bakhtiorovna Navruz-zoda
associate professor. PhD, Bukhara State University

Abstract

The article describes the author's method of evaluating human entrepreneurial ability based on "hard", "soft" and "digital" entrepreneurial skills. The formula for determining the multiplier of the actual level of development of entrepreneurial ability with the help of "Key Performance Indicators" (KPI) is recommended, and the calculation methodology is shown on the example of a business entity.

Keywords

entrepreneurial ability, self-esteem, entrepreneurial potential, entrepreneurial skills, hard skills, soft skills, digital skills, skilled entrepreneur

Introduction. In the Decree of the President of the Republic of Uzbekistan "On the Development Strategy of New Uzbekistan for 2022-2026", a great importance is focused on the development of small business and private entrepreneurship in the rapid development of the national economy and ensuring high growth rates. [1]. It requires the development of entrepreneurial skills of business entities in order to increase population employment and reduce poverty through entrepreneurship development.

"Entrepreneurial ability" refers to a person's ability to skillfully combine economic resources on his own initiative, start a new business and continue it efficiently, be able to take reasonable risks, conduct business in a market way, marketing and management skills. In order to develop effective measures aimed at the development of human entrepreneurial ability, it is necessary to assess the level of its real development. The main problem in the assessment of entrepreneurial ability is the non-existence of sufficiently accurate and practically acceptable methods of quality measurement from a scientific point of view.

Literature review. In particular, the scientific works of T. Matveeva [2], S. V. Terebova and P. S. Pleshakov [3], O. R. Verkhovskaya and M. V. Dorokhina [4], Ye. K. Klimova [5], B. N. Navruz-Zoda [6], N. K. Murodova [7], devoted to methods of assessing entrepreneurial ability, can be listed.

Research methodology. In the article, a model of "Skills for assessing entrepreneurial ability" was developed using the method of monographic analysis, the method of comparative analysis, and the method of systematic analysis. Using the grouping method, hard, soft and digital types of entrepreneurial skills were distinguished. Using a hierarchical approach, the quality statuses of "skilled", "competent" and "unskilled" entrepreneurs were determined. The application of these methods made it possible to scientifically justify the effectiveness of the article and its practical recommendations.

Analysis and results. Among researchers, there is no single approach to qualitative assessment of entrepreneurial ability. A comprehensive study of this issue allowed us to distinguish five approaches to the assessment of entrepreneurial ability. The first approach is based on self-assessment of entrepreneurial ability. It is recommended to determine the entrepreneurial ability of people at the "developed", "competent" and "weak" levels with the help of a test of 20 closed questions prepared by T. Matveeva [2].

The second approach is the method of scientific evaluation based on the "Entrepreneurial Abilities Index" by scientists of the Vologoda Scientific Coordination Center (VNKTS SEMI RAN) of the Central Economic and Mathematical Institute of the Russian Academy of Sciences. In this case, it is recommended to calculate the average weight of quality characteristics indices of the population of working age, weighted according to the level of importance of each quality [3].

The third approach is based on the Global Entrepreneurship Monitor (GEM) assessment of entrepreneurial ability. In the conceptual model of GEM, entrepreneurial activity is evaluated by six indicators, expressed by the base terms "potential entrepreneurs", "entrepreneurs at the initial stage" and "successful business owners". [4].

The fourth approach is characterized by the evaluation method based on "Solving problem situations in the form of a case". Ye.K. Klimov recommends evaluating the determinant "Psychological readiness for entrepreneurial activity" through the following criteria: entrepreneurial motives; business goals; initiative; strategic thinking; resistance to stress; entrepreneurial intention; business resources. [5].

The disadvantages of the above-mentioned approaches are that the recommended evaluation methods do not fully take into account the entrepreneurial skills of a person, do not allow to evaluate the quality stages of entrepreneurial activity (control, supply, total quality management) and the quality

process (activity, process, system orientation) and is designed to assess the entrepreneurial activity of business entities operating as legal entities. Therefore, we believe that an assessment method based on the principle of the combination of opportunities and results is necessary to assess the abilities of individual entrepreneurs operating as individuals.

Based on this need, we made efforts to develop a method for estimating the multiplier of the real level of development of entrepreneurial ability in a comparative way. In this case, we recommend to calculate the multiplier of the actual level of development of entrepreneurial ability by the following formula, in exchange for comparing the total points collected by the expert method on the basis of a specially prepared questionnaire in the system of key performance indicators (KPI) of entrepreneurial ability with the standard assessment:

$$Rtq = \frac{KPI(H) + KPI(S) + KPI(D)}{Etq} \quad , \quad (1)$$

Here: Rtq is the multiplier of the real level of development of entrepreneurial ability (Rtq is measured in the coefficient scale from 0.0 to 1.0);

KPI(H) - key skill indicators (KPI) that describe the main criterion of hard business skills. KPI(H) is expressed in the range of maximum 40 points or less, based on diagnostic evaluation of the worst case of 20 KPIs with a score of "0" and the best case with a score of "2".

KPI(S) - key performance indicators (KPIs) that describe the main criterion of soft business skills. KPI(S) is expressed in a maximum range of 30 points or less, based on the evaluation of the worst case of 15 KPIs with a score of 0 and the best case with a score of 2.

KPI(D) - key skill indicators (KPI) that describe the main criterion of digital skills. **KPI(D)** is expressed in a maximum range of 30 points or less, based on diagnostic evaluation of the worst case of 15 KPIs with a score of "0" and the best case with a score of "2".

Etq is a standard indicator of the level of development of entrepreneurial ability. Etq is quantified by scoring the best performance of 50 key performance indicators (KPIs) that describe hard, soft, and digital key criteria with 2 points for a total of 100 points.

In order to experimentally test the method of determining the quality level of "entrepreneurial skills" of entrepreneurs based on the quantitative indicators of "key performance indicators" (KPI), we performed a diagnostic analysis of the

activities of representatives of small businesses and private business entities operating in the Bukhara region. Diagnostics was carried out by an expert method based on a special questionnaire developed by the author, through face-to-face offline or online communication with entrepreneurs by experts in the basics of entrepreneurship and management.

At the initial stage of the research, in exchange for a diagnostic study of the activity of the head of "Don Lavash" LLC, a practical calculation was made using the formula for evaluating the multiplier (Rtq) of the realistically achieved level of development of his entrepreneurial ability. In this case, the value of important skill indicators (KPI) describing the hard, soft and digital entrepreneurial skills of each business entity is determined by experts and their sum is benchmarked. Rtq coefficient was calculated by dividing by the value of the indicator (by 100 points).

Based on the value of this coefficient, the level of real development of the entrepreneurial ability is determined, and the appropriate quality status is assigned to the entrepreneur corresponding to it (Table 1).

Table 1.

Methodology for calculating the multiplier (Rtq) of the actual level of development of entrepreneurial ability[67].

	Calculation stages of Rtq - multiplier	Private entrepreneur *
1.	Questionnaire-based assessment of 20 key skill cators (KPI-H) that describe the core measure of hard epreneurial skills	36 scores
2.	Questionnaire-based calculation of 15 key skill cators (KPI-S) that describe the core criteria of epreneurial soft skills	27 scores
3.	Questionnaire-based assessment of 15 key skill cators (KPI-D) that describe the core measure of tal skills	22 scores
4.	Calculation of Total Scores (ΣKRI) for Hard, Soft and merical Criteria (Score 1+Score 2+Score 3)	85 scores
5.	The benchmark indicator (Etq) value of epreneurial ability (the amount taken as the highest e in the assessment)	100 scores
6.	Multiplier coefficient of the level of real elopment of entrepreneurial ability (Rtq= ΣKRI: Etq) culated by dividing the points in row 4 of the table by points in row 5)	0.85 scores
7.	Determining the level of development of	High

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[67] Source: formed based on the author's research

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	epreneurial ability (Rtq value from 0.0 to 0.49 - low, n 0.50 to 0.79 - medium, from 0.80 to 0.1 - high level)	
8.	Selection of the quality status of the entrepreneur v level of entrepreneurial ability - unskilled, medium l - potential and high level - included in the category killed entrepreneur)	Skilled entrepreneurs
9	*Note: the head of —Don Lavash‖ LLC, engaged in production of lavash in Bukhara, was selected as a ate entrepreneur.	

As can be seen from Table 1, the Rtq - multiplier calculation method consists of 8 consecutive steps, and in it, a special form is filled by a business expert through direct or online communication with the entrepreneur, based on the questionnaire data, 50 key performance indicators (KPIs) describing 20 hard (36 points), 15 soft (27 points) and digital 15 (22 points) criteria for evaluating entrepreneurial ability were determined. Then, the sum of the accumulated total scores (ΣKRI) for the three criteria - hard, soft and numerical - is calculated. In our example, the amount of ΣKRI was equal to 85 (36+27+22) points.

In the next step, by dividing the gross value of 50 important skill indicators (85 points) by the amount of the standard indicator of entrepreneurial ability (Etq=100), the coefficient of the multiplier (Rtq) of the real achieved level of development of entrepreneurial ability is calculated based on the recommended formula. According to the calculations in the table, the Rtq coefficient is equal to 0.85 (85:100), and as it is determined between 0.80 and 0.1, it is determined that it corresponds to a high quality level of entrepreneurial ability development.
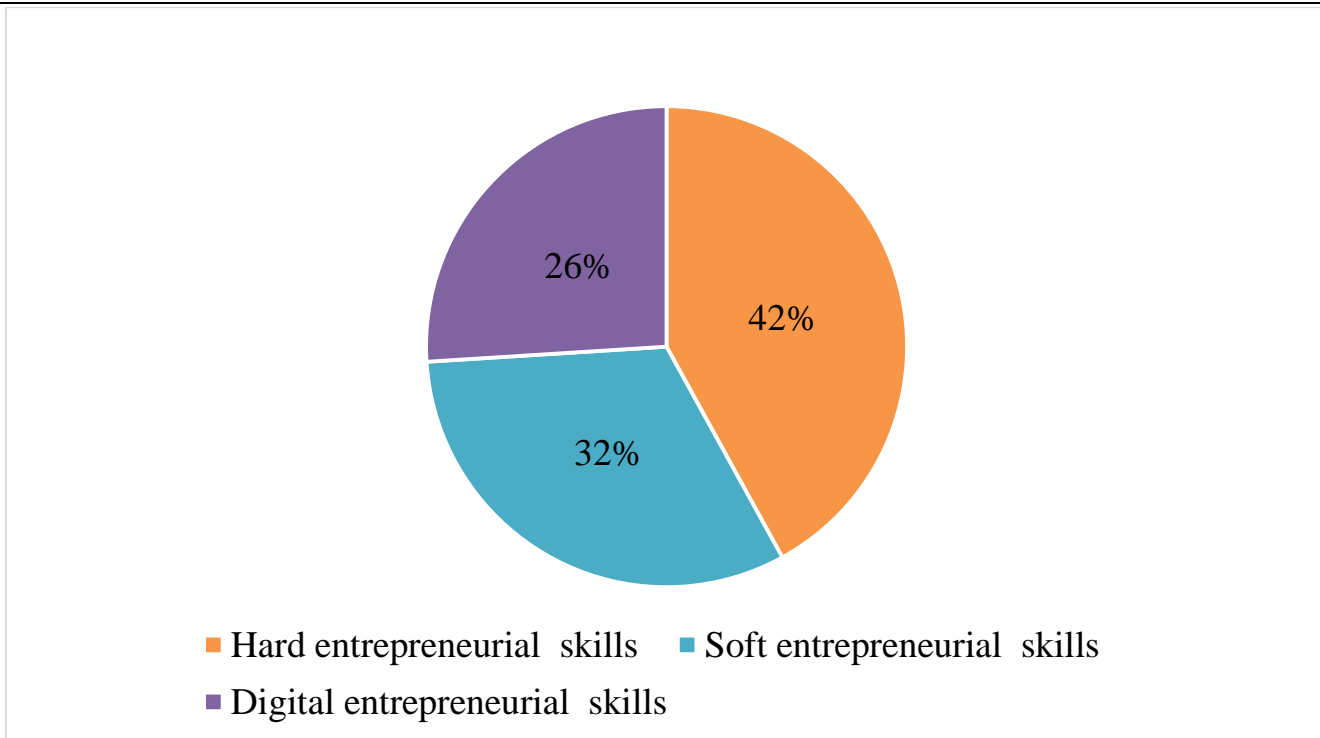
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Figure 1. The share of key performance indicators (KPI) in the entrepreneurial ability of the head of "Don Lavash" LLC.[68]

At the last step of the evaluation, the quality status of the entrepreneur in the field of small business and private entrepreneurship is selected, which depends on the appropriate level of development of entrepreneurial skills. In our example, it was determined that the head of "Don Lavash" LLC, engaged in the production of lavash in Bukhara, has the prestigious status of "Skilled entrepreneur" by the Rtq multiplier value of 0.85. In its entrepreneurship key skill indicators (KPIs), the share of hard and soft entrepreneurship skills is high (42% and 32%, respectively), while the share of digital entrepreneurship skills is relatively low (26%) Figure 1). "Content-analysis" of the figure of "Skillful entrepreneur" shows that this quality status of him is manifested precisely in hard, soft and digital entrepreneurial skills in the appropriate proportion of 40:30:30 percent.

Conclusions and suggestions. As a result of the research, the following conclusions are made:

1. In order to achieve success in the field of entrepreneurship, it is desirable to demonstrate a combination of hard and soft skills. If hard skills help start a business and do it well, soft skills ensure a skilled entrepreneur.

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[68] Source: formed based on the author's research

2. In the context of digital transformation, it is appropriate to take into account the digital skills of an entrepreneur related to solving various problems in the field of information and communication technologies (ICT).

3. It is possible to determine the development of entrepreneurial ability at three levels: "low", "medium", and "high" through a special test [8], and develop measures to raise them to the level of professional quality.

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