

# Oil Management Issues in the Development of the Digital Economy

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**Abstract-** In this article have been discussed topical issues of personnel management in fat-and-oil enterprises in the context of the development of the digital economy. By author were studied some approaches to the development and implementation of a digital strategy for managing fat-and-oil enterprises in Uzbekistan.

**Keywords:** Digital economy, fat and oil enterprises, personnel, management, technology, innovation, wages, income, profit, position, education.

## I. INTRODUCTION

Today, the transition to a digital economy in various countries around the world, and thus the widespread use of financial technology, blockchain system, increases the level of transparency in any industry and serves to reduce corruption.

Introduction of a single database of production indicators in the real sector of the economy, optimization of existing information systems for automation of production and management processes and improvement of CRM-system, project management and personnel KPI assessment, developed a “Roadmap” for 2020-2021 on the introduction of a unified personnel management system (HR) for full functional monitoring.

This, in turn, requires a new innovative approach to the management of oil companies in the development of the digital economy.

## II. ANALYSIS OF THE RELEVANT LITERATURE

Today, the effective operation of enterprises in the oil industry depends on the management of human resources through the creation of innovative strategies, new types of products, organizational structures. This is because the positive resolution of problems, such as existing gaps between methods of capacity building in the enterprise, in many ways affects the personnel management service.

It is the specialists who manage the production at the enterprise, carry out their current and future planning and put the production facilities into effective use. Therefore, the higher the professionalism of the staff, the better the economic and production performance of the enterprises.

In the oil and gas industry, the process of personnel management should include the development of a work plan, their integration into the implementation of labor activities, management of work processes, coordination of individual departments and employees, control of the work process and others.[1]

The above comments also apply to the staff of the oil and gas industry of our country. In our view, the recognition of the priority of personal development, which ensures the coordinated use of human resources in the interests of the enterprise and the employee, should be considered as the most fundamental principle of personnel management.[2]

There are many definitions of personnel management. For example, B.Tursunov [11;12;13], A.Burkhanov [10;14], according to German scientists S.Marra and G.Schmidt, personnel management is a field of activity specific to all enterprises, the main task of which is to provide the enterprise with employees and their targeted use. [4]

American scientist R.Daft focuses on managing the quality of human resources in the organization. He believes that personnel management is an activity aimed at attracting, training and maintaining the efficiency of the workforce [5].

One of our local economists K.H.Abdurahmanov and others say that personnel management is a system of organizational, socio-economic, psychological, ethical and legal relations aimed at the effective use of human potential in order to ensure the interests of the individual employee and the enterprise as a whole.

The views of the American scientist M.Armstrong, who tried to distinguish between the concepts of "human resource management" and "human resource management" are noteworthy, in his opinion, the following three main differences can be distinguished [4]:

1) personnel management - if it is a type of activity focused on employees, human resource management is more focused on managers;

2) personnel management - the activity of the personnel management service, and human resource management is a joint work of the personnel management service and the heads of enterprises;

3) personnel management has a utilitarian character, that is, it is aimed at solving specific practical tasks. Human resource management is strategic and focused on the long-term development of the enterprise. [4]

But the scientist believes that there is no profound scientific difference between personnel management and human resource management, which should be the result of a phraseological diversity reinforced by a difference in more practical application.[9]

Summarizing all the above, we have defined the concept of "personnel management" as follows: "Personnel management is a type of practical activity aimed at the effective use of personnel in enterprises and organizations for the socio-economic development of the enterprise."

### **III. RESEARCH METHODOLOGY**

Theoretical and methodological basis of this article is general economic literature and scientific articles, scientific works of economists, conversations with scientists and industry representatives in improving personnel management in the oil industry, analysis of their written and oral feedback, expert evaluation, process observation, economic phenomena and a systematic approach to the processes, conclusions, suggestions and recommendations in relevant areas through a comparative analysis with the author's experiences. In the process of studying the topic, in addition to general economic methods, special approaches to data systematization, such as comparison, aggregation of theoretical and practical materials, and systematic analysis were used.

### **IV. ANALYSIS AND RESULTS**

World experience shows that digital technologies have become the driving force of society and economic development through the continuous implementation of innovations that ensure quality growth in all areas.

Today, the countries that are implementing innovative models of development and "digital" (smart) technologies are the most successful and sustainable. The sustainable development of such countries, their competitiveness in the world market is based not on the export of natural resources and the use of physical labor, but on innovative ideas and developments.[4]

Globalization and internationalization trends are affecting not only commodity, financial, technological and resource markets, but also personnel management systems and employee competitiveness. The development of the digital economy, automation processes play an important role in human resource management.[3]

The conditions associated with the COVID-19 coronavirus pandemic in our country today have once again proved the importance of digital technologies. The introduction of quarantine requirements in the country has clearly shown that education, public services, public administration, trade and services, industry are all connected with the digital economy. Services that have not been provided remotely for years have been made available online in a matter of days.

According to experts, in the next 3 years, through the digitization of the economy, 22% of jobs in the world will be created using Internet technologies.

Over the next five years, due to the widespread introduction of information technology in industrial enterprises, the cost can be reduced by an average of 13-15% [7].

In our view, "digital competence" (employee suitability for the job) should be seen as the ability of an employee to use his or her knowledge, experience, skills, personal qualities and behavioral characteristics safely and effectively in the application of digital technologies.

Digital competencies include information retrieval, critical perception of information, use of digital devices, synchronization of digital devices, use of social networks, online shopping, and more.[6]

This, in turn, requires staff to have the knowledge, passion and ability to collect the maximum amount of data, verify the reliability of data from a single source through a variety of sources, and analyze practical and valuable data.

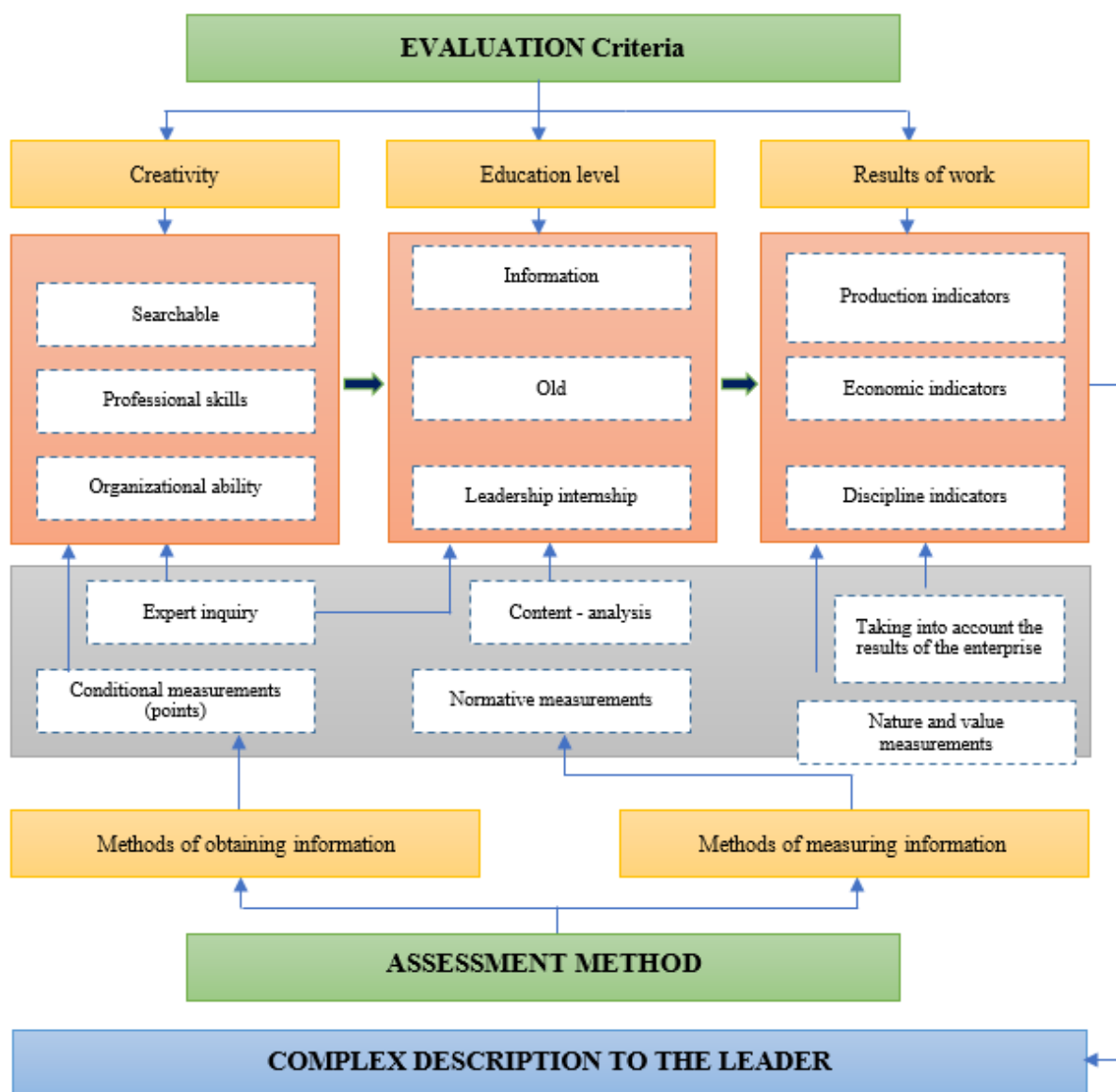


Figure 1. Improved methodology for integrated management assessment in the oil industry

The Concept of development of the cotton and oil industry of the Republic of Uzbekistan for 2016-2020 has been developed in the Republic and the following priorities have been identified:

modernization and re-equipment of enterprises of the oil industry, introduction of modern effective technologies and scientific developments that ensure the quality of cotton products, cottonseed oil and oil products;

improvement and automation of the system of reception and processing of raw cotton, storage and export of products in accordance with world standards; maintaining stable production volumes, expanding the range of oil and fat products, increasing its competitiveness in foreign and domestic markets, ensuring a sharp increase in the export potential of the industry; reduction of production costs and optimization of non-production costs;

creation of new jobs in the industry, organization of safe ecological production, as well as training and retraining of workers in the cotton industry. [8]

The above tasks include the formation of a healthy and capable team to increase the effectiveness of personnel management in the enterprise, timely attention to changes in production and working conditions, taking into account the composition and qualifications of personnel by gender and age and their correct placement in production. and the introduction of new, advanced advances in technology into production requires the development and implementation of a mechanism aimed at encouraging employees to increase labor productivity.

The study of modern forms of personnel management and the application of management methods will allow the country's oil companies to achieve high economic results.

There are two types of development of the economy of the oil industry, namely extensive and intensive, and in

the first round the growth of the volume of oil products and its sales is a quantitative factor in all cases - the provision of cheap and sufficient resources; The second type of quality factors - provides new educational opportunities, the use of new achievements in science and economic growth at the expense of qualified personnel. (Figure 1)When evaluating the results of the work of managers and specialists of the enterprise, their positions and functions are interrelated and serve as the main criteria for evaluation.

## **V. CONCLUSIONS AND SUGGESTIONS**

1. Today, the development of the digital economy is inextricably linked with the ongoing modernization processes in the oil industry and requires a gradual renewal of the existing personnel management system. Radical improvement of the structure and essence of all levels of personnel management is one of the key factors in reforming the economic system, and personnel management. Therefore, personnel is considered to be the main resource of the enterprise, the main factor determining the success of the whole organization.

2. The results of the study of the general economic and financial stability of the oil industry, the ability to pay show that the internal resources of innovative improvement of management and its financing in these enterprises is declining from year to year.

However, given the position of the oil industry in the market and a stable consumer segment, as well as the ability to operate at full capacity from year to year, it is possible to establish innovative management of the industry. In this regard, it is necessary to develop and implement new innovative projects in the management of the industry, given that the spiritually and physically obsolete fixed assets and equipment in the oil and gas industry will hinder the enterprise to operate at full capacity in the future. This will require a number of measures to rationally organize the management of innovative projects in the oil industry.

3. Uzbekistan has all the conditions to improve the personnel management system based on the experience of developed countries. At the same time, some enterprises in the country, without resorting to this experience, as usual, use outdated methods of personnel management, typical of the concept of labor management in the old administrative-command economy.

With this in mind, Uzbek enterprises need to study certain international experience in the field of personnel management systems, accumulated in countries with highly developed economies, and use it in management practice. The study and practical application of modern forms and methods of personnel management will allow national enterprises to achieve high economic results.

4. The following trends are emerging in the field of improving the management system of enterprises in the oil industry:

- strengthening the targeted characterization of management activities;
- through the creation of flexible management structures and improving the functioning of the management apparatus, including the reduction of redundant management links;
- the growing role of teams in production management and their focus on achieving high results;
- improvement of social conditions of labor activity. Based on these trends, the directions of improving the management structures of enterprises have also been identified, based primarily on quality indicators;

In our opinion, in the context of the development of the digital economy, it is necessary to organize the management and effective use of personnel in the oil and gas industry in accordance with the principles of market relations. To do this, pay attention to the following aspects:

Achieving that in the oil and gas industry enterprises every process of labor, its scope and sequence must be clearly specialized;

- organization of the distribution of each type of work in the enterprise at fixed intervals;
- identification of real needs and prospects for training in the oil and gas industry, participation in the development of training programs for training, retraining and advanced training, deepening research in this area.

In addition, it is possible to increase the profitability of the enterprise and create new jobs by improving the processing of technical seeds and production of cottonseed oil in the oil and gas industry, the processing of products produced by joint-stock companies.

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