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### **HUMAN CAPITAL AS A FACTOR OF ECONOMIC DEVELOPMENT IN THE ORGANIZATION**

Effective human resource management is critical in the operation of businesses, government agencies, industry and non-profit organizations. Human capital helps the firms to meet the challenges of a rapidly changing world, especially as the legal environment becomes more complex.

One of the biggest areas of weakness in the Human Resource field is that the field often lacks scientific and accurate measures on many fronts. Taking human capability and nurture it with sound metrics, applied science and dedicated care and utilizing a proprietary customized systems, can help track and reward performance, cultivate goals and improve all-round productivity levels for clients. In addition the technology and systems provide a hire to exit strategy for each and every employee in a specified company in order to ensure that clients hire the right talent, provide stability and grow that talent, while caring for the rewarding end right from the start.

According to the OECD, human capital (HC) is defined as “the knowledge, skills, competencies and other attributes embodied in individuals or groups of individuals acquired during their life and used to produce goods, services or ideas in market circumstances”.

We can divide into types of HC: individual human capital – the skills and abilities of individual workers; human capital of the economy – the aggregate human capital of an economy, which will be determined by national educational standards.

Factors that determine human capital are the following: skills and qualifications; education levels; work experience; social skills – communication; intelligence; personality – hard working, harmonious in an office; creativity – ability to innovate new working practices/products.

Creating HC (educate, train and invest into labour) and managing it makes a competitive advantage, for workers – new working place and salary. In Lebanon the minimum wage in public sector is now 1200 dollars and people work 5 days a week and 7,5 hours a day and 5 hours on Friday, which amounts to 150 hours a month, ( since Saturday and Sunday are holidays), in May 2017 for example, the cost of one working hour is between \$7,55 dollars and 8 dollars. In principle, good salaries could also affect on local firms through its impact on the productivity in those firms.

HR management principles improve productivity and have a substantial impact on industry.