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A Systemic Review on Human Capital Investment: The Context of Jordan

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This study connects human capital investment to innovation, and the findings demonstrate that doing so promotes economic development. After a comprehensive examination of the current literature and the usage of relevant academic-based research databases, 73 papers published in peer-reviewed journals in the previous decade were investigated and assessed using established systematic literature review processes. Human capital development is one way to promote economic growth and competitiveness by using the country's human resources, and four key pillars have been identified (HOPE). Furthermore, the study found that Jordanian culture is particularly relevant to all four pillars, suggesting that it can build innovative human capital and ensure economic success. The conclusions of this study will be valuable to Jordanians and the Arab world as a whole since most people are ignorant of the importance of human capital in economic progress. This article looks at how innovation and human capital investment may help Jordan's culture and economy grow.

Introduction

Maintaining a competitive edge in this industry needs the ability to identify a crucial strength that may carry the organization into the future. Human capital was identified by (1) as one of the factors that led to the firm's competitive advantage. Human capital is undoubtedly the most significant unit in the company, as it contributes more to the organization's and nation's development and prosperity (2; 3; 4), human capital is a collection of intangible resources in the workforce that are linked to productive abilities, talents, health, and knowledge. Human capital is also defined as an individual's talent and knowledge that results in a productive output, notably in terms of work performance (5). Workers' abilities to add value to the organization, especially in problem solving and decision making, were characterized as intangible resources.

Human capital development was created as part of the company's long-term strategy to boost employee productivity and gain a competitive advantage (6). It equally contributes significantly to employees' development in improving life and income, expanding knowledge, skill, and product capacity, promoting economic growth, and decreasing poverty (7). (8) reported that organizations that adopted prudent human capital management had a favorable relationship with organizational performance. (9) revealed that human capital (learning, knowledge, and skills) has a significant impact on competitive

performance.

There was indisputably a demand for more successful and long-term talent growth; however, the education industry's decline in workforce and increase in turnover rate served as a signal on the importance of addressing the human capital issue in higher education institutions (HEI) (10). Human capital management is very important in universities, and research has shown that institutions with high intellectual capital outperform their contemporaries (11). Furthermore, (12) found that individual capital development had a considerable influence on academic staff competence, and authors concluded that investing in human capital was therefore lucrative for institutions because it was the greatest predictor of employee competency.

Besides, human capital management has not received much attention since most organizations lacked in consistency, a complete view of their staff and the vital data needed for workforce optimization (13). Furthermore, the current way of evaluating human capital was insufficient for future human capital growth, especially in HEI, and it remained an area where no consistency could be found (14). (15) also pointed significant relationship between human capital and success, implying that there has been little debate in the literature on the interrelationship between human capital and how the construct is formed (16).

By considering the existing literature and gap of the study in human capital, this study aims to examine any existing research, particularly among academics inside HEI, to investigate human capital and its determinants. This research aims to highlight the most often researched human capital deciding factors in either the business or higher education sectors.

Human Capital Overview

(17) Define human capital as a collection of talents that includes all forms of investments made to improve human capacities, whether via formal education, informal education, training, or learning in the workplace. Nonetheless, owing to its competencies and skills in addressing management difficulties, human capital was viewed as an intangible asset that is a component of intellectual capital and the market value of an organization that may promote long-term sustainable development (18).

Human capital is undeniably a crucial engine of economic growth, and (19) established a link between human capital and its deciding factors, especially in the long run. The government's expenditure on health and education, infrastructure, institutions, and economic growth impact. Nonetheless, many developing countries recognized the value of human capital, as countries that saw fast development also experienced increases in human capital (20). (21) discovered that retaining experienced managers and workers improves performance.

Higher education's human capital has recently been a hot topic among academics. Human capital is important as part of HEI's reaction to the dynamic demand in the educational sector, as it will contribute to the successful completion of the development process (22). The authors then went on to talk about the factors that drive initiatives to assess, manage, and improve intellectual capital. Human capital has traditionally been seen as a key factor in evaluating and recognizing a company's competitiveness, and the

company's future goals will increasingly be based on its intellectual capital assets (23). It also functions as a value creation indicator in the HEI setting. It may help develop organizational strategy, provide a framework for assessment, and distribute particular resources (24).

As a result, to adapt to the new challenges ahead, HEI must undergo a transformation process. On the other hand, (25) recognize the difficulty in measuring human capital in ways that organizations can accept and utilize. Furthermore, it was highlighted that the human capital information provided was limited. It frequently concentrated on directors or personnel who had little impact on the company's operations or value.

Even though transparency of such information was considered crucial to stay competitive in the market, most countries still did not have an obligation or recommendation for HEI to measure and submit information and details about their intellectual capital (12). Apart from that, understanding how intellectual capital management is articulated highlighted various areas for improvement that should be addressed so that it may be utilized as a tool for identifying present deficiencies in HEI for future planning (24)

Improving human capital development can make resources widely available while also promoting and maintaining economic growth (13). As a result, measuring human capital is critical because it will aid organizations in developing their strategy, evaluating strategy execution, strategic development, diversification and expansion decisions, employee compensation, and serving as a communication tool with external stakeholders (26). Furthermore, (20) stated that human capital is a complex object with multiple dimensions worth investigating.

Moreover, improving human capital in HEI is regarded as critical in providing quality concerns and happiness for students and stakeholders, as well as facilitating engagement between HEI and the community to ensure that social benefits are disseminated widely (27). Human capital has been demonstrated to have a positive impact on university performance in previous research, meaning that it plays a crucial role in assuring an organization's efficiency (28; 29; 30). As a result, increasing awareness of the role of human capital in HEI administration and performance is critical.

Study Methodology

One of the fundamental objectives of academic study is to expand and broaden one's comprehension of a previously researched and analysed topic or subject. Case studies are a trendy subject when it comes to research. Case studies are empirical studies that evaluate a current phenomenon in the context of its real-life surroundings, where the borders between the phenomenon and the environment are not easily obvious and numerous data sources are utilised. The term "case study" may have several different interpretations. It might refer to a research process or an analytical unit (for example, a case study of a specific organisation). This case study involved in-depth interviews with specialists in getting the data required to answer the research objectives. Finally, the case study technique is ideally suited to our analysis of the link between innovation and human capital

investment and how these two concepts are employed to contribute to economic development.

They also wanted to help the nation cultivate and support entrepreneurship. Because it is effective for analysing areas where theory is still being created, the case study approach was used to assess the empirical results of this research. This strategy allows for a comprehensive knowledge of a difficult problem to investigate using other methods, such as surveys. An interview, unlike a survey, enables researchers to go further into the interviewee's thoughts and ideas, enabling them to gather more information. Inquiries into how and why may lead to new facts and ideas.

The data was gathered on the ground in Jordan, and the results are based on that. The study's goal is to discover and evaluate the relationship and the elements that impact it. Students from various institutions and former workers of the organisation who are now freelancing were questioned to learn more about ways to boost Jordan's economy by encouraging innovation and investment. Professors of innovation who taught innovation courses to students at a variety of colleges and those who worked at the Queen Rania Center for Entrepreneurship were interviewed as the primary source of information (QRCE). Two teachers and two freelancers were interviewed. They were informed about the research and its objective and provided the interview questions ahead of time to respond appropriately. To get as much information as possible regarding the diverse points of view on the study's subject matter, open-ended questions were employed in the interviews. The interviewees provided their permission to record their replies to preserve them. Secondary data, such as quantitative age group and gender characteristics, was collected from QRCE's website and public information concerning the organization's effectiveness. The most current study method used was a focus group discussion. Ten university students were asked to explore five open-ended themes related to innovation and human capital and the students' economic development goals. To prepare for the job market, students from a variety of Jordanian institutions who were in their last semester of a bachelor's degree programme took part. It was decided to employ random sampling.

Discussion And Habilitation

The answer to the issue of whether human capital and creativity are related was always yes throughout the research process. To back up the study, looked examined how this connection impacts the economy. The four pillars that significantly impact a country's human capital's potential to innovate must first be investigated to achieve economic development, according to a thematic approach to interview results analysis and an analytical evaluation of focus group talks (HOPE). The next section delves more into the functions of each pillar.

Each of the four pillars was demonstrated to be impacted by at least three external factors, but one in particular stood out as having a significant effect on all four: culture. In this case study, Jordan is used as a microcosm of Arab culture, with long-held traditions and customs strongly engrained in people's daily behaviours and thoughts. Only in an atmosphere where the cultural imprint on youth is maintained to a minimal can youth ingenuity and problem-solving abilities be cultivated. This section shows how culture affects each of the pillars.

The term "habilitation" refers to preparing something for usage. The first stage in developing effective human capital is to rehabilitate the minds of teenagers in a variety of methods. The national educational council's plan to revamp Finland's whole education system, for example, is an excellent example of this (Bez 2017). This is a solid first start, and if Jordan follows through, future generations will be well-equipped to innovate and dominate the fields in which they choose to work, encouraging firms to invest in human capital both locally and globally.

According to research, a small change in the educational system or curriculum could result in a far greater shift in the industry: the next generation would push for breakthroughs in every profession, leveraging their educational backgrounds, ingenuity, and expertise to push for progress across the board. In its current state, the Jordanian educational system, like most others, was uninterested in teaching critical thinking. Consequently, the main purpose was to organise the kids and build trustworthy people. If the country wants a better future, the educational system must be modernised and improved. One of our comments said strongly, "Innovation is impossible without people's views." Jordan has acted as a link between the two countries. Cannot get innovation just via theory; although theory offers the framework, human capital develops new ideas. As a result, real-time innovation demands bridging the gap between theory and practise." There is a tension between theory and practise in the educational system. Jordan's market has identified a significant gap between theoretical academic knowledge and what is required in the actual world. A lack of work experience puts employers off. The educational system must include more practical applications and theory to build more imaginative human capital and invest in future workers.

Consequently, human capital will be more creative, implying that less time will be spent training individuals for occupations that do not need much creativity or originality from the personnel they train. According to a single response, the following obstacles stand in the way: Because there is such a big difference between industry and academic education, university output doesn't always match what desire. Colleges must retrain graduates to meet market needs, resulting in a huge gap between what universities produce and what want." It's not just about beginning a business; whether you're intending to start one or are already in the commercialization process, you can infuse innovation into your firm in any way you desire. The section dedicated to commercializing the findings is the most challenging element of this chapter. People will not take your concept seriously if you take it outside of Jordan and say, "Here is my invention," because they have never heard of Jordan as a country that innovates or has innovation. This might be a problem if they wish to build on your notion. We are now working on a solution for the most difficult problem: bringing the idea to market. It's an issue that's been handled before.

Lack of motivation and commitment and Lack of knowledge

Lack of ambition and dedication were shown to impact the rehabilitation of young people's attitudes. The majority of students showed unhappiness during the focus group session due to their failure to discover anything they were enthusiastic about and could commit to. Most people agreed that in order to be motivated and passionate, they need space to invent, create, and share their ideas.

Children must be exposed to a variety of options and sectors in order to choose areas where they can excel and make a difference. They should have access to the resources they need to create and communicate their ideas, as well as the chance to learn from their successes and failures. Finding the right people, the right tools, and the right market to carry out and expand their ideas demonstrates dedication.

Jordanians seem to be getting increasingly illiterate, according to recent surveys. Despite their vast formal education, Jordanian students lack the practical experience required to put what they have learned in the classroom into practise. This brings us back to the first point: the educational system has to adopt a more practical approach to education. When human capital has more knowledge, it has a better capability for creativity. " need to persuade them that it has worth in order to close the skills gap," one respondent said. Bring them back to the university and encourage openness and extracurricular activities to prepare them for the job market better.

Network And Opportunity and Lack of opportunities

In Arab countries, starting a career is primarily reliant on the nepotistic phenomenon known as *wasta*, which has been found to be more important than aptitude or education in landing a job (8). Jordanians rely largely on the networks they have built up through time to get jobs. If economic growth is to be accomplished, this way of thinking must be changed. The future generation seems to be gloomy and disillusioned, even though they should be brimming with fresh ideas. Another pillar in the innovation-human capital connection is opportunity. Although the opportunity is one of the essential parts of human capital investment, the study also revealed that the issue is not with the amount of possibilities available but with the number of individuals ready to take advantage of them, for the following reasons.

When asked how many opportunities for skill development or job experience exist while attending full-time education, the majority of students said that there are few (if any). Parental authority compulsion Parental pressure may influence a child to pick a career. Dealing with their parents' expectations and the pressure they feel to pass up potentially life-changing opportunities is one of the most challenging challenges for Jordanian and Arab youngsters. Several reasons contribute to the formation of these attitudes, including societal expectations (especially among women), a desire for employment that does not interfere with their children's education, and the belief that they are still too young.

Wanting to graduate first

Most students feel compelled by family pressure to complete their education before looking for work.

Power distance

The phrase "power gap" is defined as "the degree to which less powerful members of institutions and organisations within a society anticipate and accept that power is distributed unequally" under Hofstede's six-dimensional cultural paradigm (6). The term "power gap" refers to how society reacts to hierarchical management and how much culture supports it. A score of 70 on the PDI (9) for Jordan indicates that society respects the government hierarchy and recognises its separation from the rest of society.

Three components are demonstrated to be interrelated in the triple helix model of innovation:

Jordanian universities and the business sector have a mutually beneficial relationship in which the former provides the latter with human resources while the latter offers the former with work opportunities. While business contributes to the economic prosperity of both the country and the government, the government does not give equal opportunities to both industry and universities. The chasm between government, universities, and business is a big setback in terms of developing creative human capital and economic growth, since it reduces the number of alternatives for innovation and the number of people willing to attempt. "Innovation and human capital are critical to economic success," one respondent claims. According to contemporary economic theory, innovation accounts for more than 80% of economic progress, with materials and other factors accounting for less than 20%. Human inventiveness is the source of economic progress, which can only be realised by humans.

Entrepreneurship

The phrases "innovation" and "entrepreneurship" are sometimes used interchangeably. Jordan's entrepreneurial sector is very competitive, due to a plethora of opportunities and organisations that support new companies.

Fostering entrepreneurial opportunities is one of the most significant components of closing the skills gap and contributing to Jordan's economic development and global recognition of its human capital when it comes to producing innovative human capital.

Jordanian culture

Despite this, there has been little research on the impact of culture on entrepreneurship, specifically on motives and intentions to start a new business. This is a crucial omission for nations and regions, as well as the impact of entrepreneurship on innovation. In order to overcome this gap, this study will look at the impact of national culture on the development of new businesses. As a result, an international cross-cultural study was carried out to investigate the impact of cultural values on motivation and intent to establish a new firm.

Jordanian cultural and religious traditions have a direct impact on the growth of the four pillars of creative human capital, which this essay just scratches the surface of. Jordanian culture is a combination of Jordan's long Arab-Islamic past and more recent Western influences.

Culture And Habilitation

Only through comprehending the cultural factors that may be impeding growth can people's opinions be altered. The ego culture is an excellent example of this issue, since it makes it difficult for people to test out new ideas and subsequently spread the word about them.

As long as ego persists, individuals are unable to invest in others, educate them, or rehabilitate them in order for them to attain their full potential.

Without a culture of shame or taboo, young people cannot build their human capital. If young people in our nation are fearful of being evaluated if they attempt anything new, they will be less inclined to take chances. Focus group participants often expressed embarrassment regarding the notion of innovation as a justification for not sharing or commercialising their ideas. Because of the shame culture that engulfs and suffocates their hopes for a brighter future, Jordanian youth think they have nothing to offer.

Traditional beliefs that have been passed down from mother to daughter have formed Jordanian women. Many women were terrified of their families rejecting their dreams if they went into sectors that were historically deemed undesirable for women. This is based on Jordan's Bedouin culture and shows how the dominant culture may have a huge influence on minority' lives.

Culture And Opportunity

In today's world, fear has a tremendous influence on how individuals see their alternatives. When questioned about their society's harsh character, eight out of ten students said they were afraid and had to turn off chances that may have launched their careers. Jordanian culture is stern, and errors are seldom forgiven; as a result, young Jordanians are hesitant to seize chances or attempt new things.

Jordan's young are unable to guide the nation out of its present economic dilemma or generate fresh ideas for its future due to poor self-esteem and morale. Jordanians also have a high feeling of self-importance, therefore they prefer to reject possibilities that show them beginning little. Everyone wants to start their professions on a positive note, which is difficult to do without the help of others. A generation of underqualified professionals has resulted from ego culture and excellent connections. An investment opportunity and a potential innovator are squandered when a role is given to an uninspired individual with connections rather than someone who could be excited about the work and perform better. Furthermore, if connections continue to cause chances to be lost, the national economy will never progress.

Culture And Power Distance

This is primarily responsible for the cultural divide that exists between leaders and the rest of society. Almost everything do is influenced by our society, which puts a heavy focus on conformity. The issue is how interact to people in positions of power, not the chasm itself. For obvious reasons, Jordan's government and populace are unable to communicate with one another. Jordanians accept this hierarchical arrangement and do not attempt to alter it.

Culture And Entrepreneurship

Entrepreneurship is a method of demonstrating innovation by using fresh ideas generated by human capital to establish new firms. can't expect the economy to thrive until young people's attitudes about information, education, and opportunity, as well as power

inequality and entrepreneurship, shift. When these four aspects are combined, they have the potential to help the nation achieve economic development through investing in human capital.

Results It would take years to change a country's culture from the bottom up, but the HOPE model calls for a step-by-step approach, with each pillar progressively creating a cultural transformation while still working toward economic growth.

Limitations, Recommendations and Conclusions

The study was limited by time since investigating a subject as large as innovation as complex as human capital investment takes a long period. To get the most out of the study, urge that further research be undertaken over a longer period of time. A concern was also the absence of quantitative data. Jordanians have a hard difficulty grasping the notion of innovation and human capital, which restricts the information that can be gathered via interviews and focus groups. Participants should understand precisely what the researchers want to achieve from their time with them. The interconnectedness between a country's human capital and its inventive potential has a significant impact on its economic well-being. The first step in achieving this positive impact is to restructure the educational system such that pupils are taught and assessed on their ability to memorise texts rather than their creative potential. This is a vital first step towards mending young people's minds. The second step of economic growth is to provide young people greater possibilities to put their ideas into action and develop them. Entrepreneurship is the third level. Last but not least, the country's leaders must eliminate the concept of power distance, ensuring that everyone's voice is heard on an equal basis with those in positions of control. Combining these four stages or pillars may help a disadvantaged nation achieve economic growth and a competitive edge.

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