

## Investment in Human Capital and its Impact on Creativity in the Economic Institution

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### **Abstract:**

This study aims to shed light on the importance of investing in human capital and its impact on creativity in the economic institution. The human resource has become the main and real resource for any organization, being the basis of its success and creativity. Regimes of knowledge have realized the important fact that workers are a valuable resource and constitute the foundation of competitiveness.

The challenge facing business organizations today lies in how to liberate the human resource's creative energies and develop its intellectual capabilities. In this study, we have found that the real capital that makes difference between institutions is human capital, since the competitiveness of institutions is premised on attracting qualified and distinguished human elements that would enable them to achieve their planned goals.

**Keywords:** human capital, investment in human capital, Creativity.

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## **I. INTRODUCTION**

The economic institution lives in a very complex and changing environment due to the rapid progress that has taken place in information technology and communications, in addition to intensified competition and rapid technological change, which made it imperative for institutions to commit to continuous development and improvement. Contemporary institutions of all kinds and forms are now focusing their most attention on developing strategies to ensure that they keep pace with the rapidly changing environment and intensified competition. This is by seeking a method that makes them distinctive and unique in their performance. Irrespective of the institution's size, type, and goals, it is incumbent upon it to implement an efficient and powerful system to sustain itself and to be able to keep pace with a business world whose axis is intangible capital, whose support is knowledge and its management, and whose comprehensive and integrated approach is excellence. However different the method of seeking excellence from one institution to another, what is now agreed upon is that the best approach is to focus on human capital, being the organization's most valuable asset.

Human experience has become capital, information a commodity, and creativity and innovation the distinguishing characteristics of success and development. The organizations' attention has shifted from natural resources to intellectual resources, which is why they require a knowledgeable mind and a diversification of visions to come up with creative solutions capable of overcoming obstacles. Human beings are therefore the most important assets of these organizations because they constitute the basis of their construction and the axis of their creativity.

### **1.1. The Study's Thesis:**

In light of the aforementioned, we may phrase the central thesis of this study as follows: To what extent does investment in human capital affect the creativity of the economic institution?

### **1.2. The Study's Hypotheses:**

First hypothesis: Interest in human capital has increased in light of the rapid changes surrounding the business environment.

Second hypothesis: Investment in human capital is a modern management approach in keeping with the new data of the information age.

Third hypothesis: Investing in human capital constitutes the main driving force of creativity and an essential engine for the development of skills and competences.

### **1.3. The Significance of the Study:**

The study's significance lies in its subject matter, in that investment in human capital and creativity in the economic institution is one of the modern issues whose contours have not been conclusively determined. The human

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resource has become the real resource upon which institutions, by relying on its outputs, build their competitive strategies.

Perhaps what distinguishes this era is the use of advanced technology at all the stages of the production process, such that creativity has become essential for the long-term competitive survival of these institutions. Moreover, many researchers have addressed the issues of investing in human capital and creativity separately. Hence, the importance of this study resides in linking two variables – investing in human capital and creativity – in the form of a causal relationship that will benefit economic institutions.

#### **1.4. The Aims of the Study**

This study aims to:

- foreground the reality of investing in human capital in the economic institution and linking it to the realization of creativity;
- highlight the relationship between the study's variables;
- draw out findings and propose recommendations for the advancement of economic institutions.

#### **1.5. Outline of the Study**

To tackle the subject and reach the desired results, the paper has been divided into four sections:

Section One: The nature of human capital.

Section Two: Investment in human capital.

Section Three: Creativity in the economic institution.

Section Four: Investment in human capital and managing creative knowledge in the economic organization.

#### **1.6. Methodology of the Study**

Given the nature of the topic, the available data on it, and the way it is analysed, the use of a proper approach is required, namely, the descriptive approach and the analytical approach, both of which are adopted here. The basic concepts are clarified and their importance in the theoretical aspect is explained through the descriptive approach.

#### **1.7. Bried Literature Review**

- Muhammad Dahan, "Educational Investment in Human Capital: A Theoretical Comparison and Evaluation of the Case of Algeria." Doctoral Dissertation in Economics, University of Mentouri, Constantine, 2010.

In this study, the researcher examined the relationship between education and human capital and the latter's role in economic growth. It concluded that, following the huge, rapid, and unprecedented developments witnessed globally after World War II – developments that were left unexplained through traditional economic theories – economists' perception of education has changed from being an expense to being a productive investment.

- Saliha Bousourdi, "Creativity as an Entry Point for Running Economic Institutions: The Case Study of Saidal Pharmaceutical Company." Doctoral Dissertation in Management Studies. Specialty: Institutional Management, 2015.

This study has documented the existence of a statistically significant effect of factors supporting creativity.

## **1. The Nature of Human Capital**

The human element is at the top of the pyramid of intellectual investments of any organization, given that the various intellectual assets resulting from creativity and innovation, such as processes, software, patents, etc., are a product of the organization's human capital. Interest in the human element, it is important to note, has gone through many stages until it has been treated as capital.

### **1.1. Defining Human Capital**

Many definitions of human capital have been provided, some of which are worth mentioning here. Theodor William Schultz, for instance, defines human capital as a set of human energies that may be deployed in exploiting all economic resources. For him, human capital represents the totality of available quantitative and qualitative human powers in a given society. When it represents the mental competences and scientific levels of the population, it is determined by the educational level associated with experience and knowledge. When it represents the quantitative totality, it is calculated by the entire population of a community.

In his book *Human Capital* (1964), Gary Becker conceives of human money as similar to material means of production such as machinery and equipment, arguing that an individual can invest in human capital through education, training, and medical care, and output depends in part on the ratio of return on available human capital (Nadia 2013, p. 03).

Human Capital is defined as the intangible shares of skills embodied in workers in the age of technology and information. Human assets have become the main source of value added for companies. The value of human capital is the current value of future cash flows of company income resulting from investment in human capital (Abdallah 2013, p. 15).

### **1.2. The Components of Human Capital**

Human capital consists of three main components (Ben Ammar 2008-2009, p. 23):

**1.2.1. Competences:** The set of knowledges, experiences, dispositions, and behaviors derived from the experience necessary to practise a certain profession.

**1.2.2. Experiences and Expertise:** The set of practical experiences and expertise acquired through the practice of a particular profession.

**1.2.3. Knowledge:** The variety of information accumulated through training and education.

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### **1.3. The Need for Competent Human Capital**

There are many reasons why competent human capital is needed. In order to benefit from all human energy, organizations must manage the human component and work on developing its capabilities through an integrated scientific approach.

#### **1.3.1. Historical Reasons**

The following reasons are a product of the historical changes at all levels:

- The economic model based on physical capital has failed to achieve development. This is because the increase in the rate of forming physical capital does not affect the process of economic development if human knowledge and expertise are not enhanced (Kamil 1986, p. 320).
- Change in the conception of the human element as being a mere factor, due to the emergence of individual management that developed into human resources management, which deems the human element one of the assets of the institution.
- The emergence of Schultz' theory of investment in human capital in the 1960s and what followed it in terms of research and applications.

#### **1.3.2. Economic and Social Reasons**

The economic and social reasons are the most influential in crystallizing the need for human capital (Wa'il 2013-2014, p. 75), the most important of which are:

- The increase in the intensity of competition between enterprises and the emergence of modern and complex competitive methods that require high-quality competences, which means that the main component of these enterprises is the human element.
- The opening up of the economic system to the outside world by focusing on productive and service areas.
- The exacerbation of resource-related problems, including energy problems, scarcity, and price techniques.

#### **1.3.3. Technological Reasons**

These reasons are the product of the scientific revolution and technological transformation the world has witnessed since WWII. The following are the most important of these reasons:

- Shifting from a traditional industrial society to an information and knowledge society.
- The emergence of computers and programs specialized in the management of operations of human resources, such as the establishment of an information

bank for workers in the labor market for planning and decision-making purposes and linking it to an information network serving international markets.

- The scientific and technological explosion which led to the emergence of new industries such as electronics and raw materials industry.

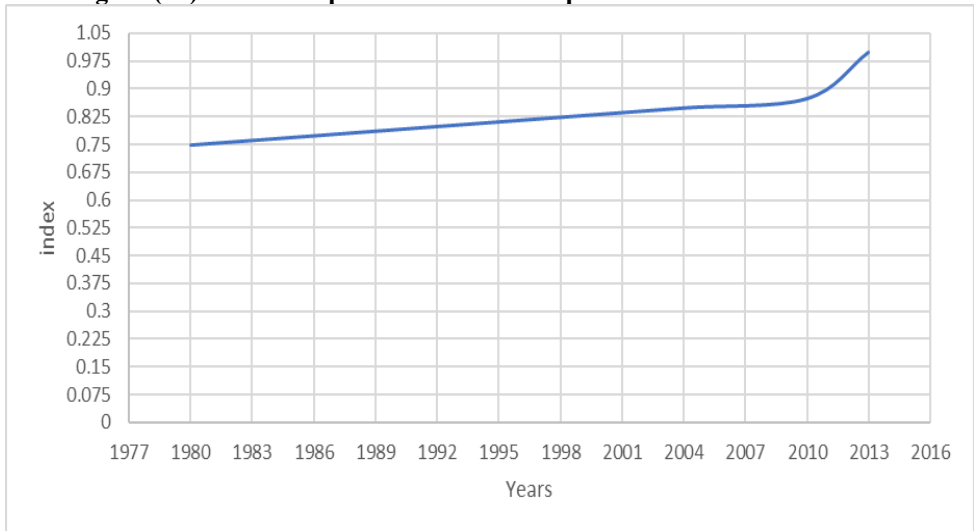
#### **1.4. Successful Experiences of Some Countries in Developing their Human Capital**

There are many countries whose economy has shifted from one based on natural resources to one of knowledge based on the existence of the competent human element and on the tendency to invest in it.

##### **1.4.1. The Experience of Finland:**

Finland's experience in the knowledge economy holds a lesson not only in how the local economy has shifted from natural resources to knowledge, but also in the importance of investing in human wealth and its role in knowledge management for sustainable economic development.

**Figure (01): Finland's position in human capital index from 1980 to 2013**



**The source:** Ibrahim Abdallah Abderraouf Muhammad, *Knowledge Economy and Investment in Human Capital* (in Arabic), 2016, p. 65.

**Remark: Index 1 = the most developed in 2013.**

We conclude that Finland ranked first in the human capital index in 2013, i.e., it became more sophisticated with its interest in human capital.

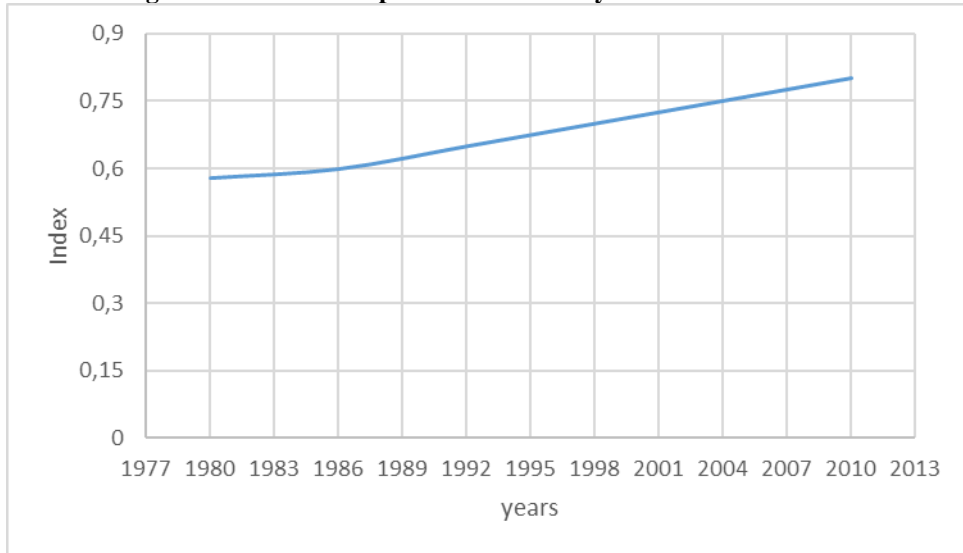
##### **1.4.2. The Experience of Malaysia**

The Malaysian experience is one that is characterized by its interest in the human element and knowledge management, in that it has moved from relying on inputs of production and natural resources to relying on knowledge and

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investment in human capital.

**Figure two: Human capital index in Malaysia from 1985 to 2013**



**The source:** Ibrahim Abdallah Abderraouf Muhammad, *Knowledge Economy and Investment in Human Capital* (in Arabic), p. 77.

The chart shows the great interest in human capital by Malaysia, which is reflected in improving the competence of the human element. Thus, the human capital interest index increased from 0.62% in 1985 to 0.75% in 2005, and then to 0.76% in 2009. Malaysia maintained 0.75% in the years 2011, 2012, and 2013 (Abderraouf Muhammad, 2016, pp. 65, 68, 77).

## **2. Investment in Human Capital**

Investment in human capital is made in order to obtain higher incomes than the costs this investment requires, and is carried out by either the individual or the institution through continuous training. The competencies eventually obtained may be general – that is, used in any organization – or specific – that is, leading to special qualification – while the return is often in the form of individual remuneration, increased productivity, and improved performance of the organization.

### **2.1. The Concept of Investment in Human Capital**

In this section, we address the definition and objectives of investment in human capital.

### **2.1.1. Defining Investment in Human Capital**

There are many definitions of investment in human capital, including:

- A set of concepts, knowledges, and information on the one hand, and the host of skills, experiences, and performance elements, as well as the dispositions, behaviors, ideals, and values on the other, all of which human beings receive through formal and informal educational systems that contribute to improving their productivity and thereby to increasing the benefits and profits attendant on their work (Khelifi and Kouadria 2009, p. 78).
- It is also defined as spending on developing the abilities, skills, and talents of human beings in a way that enables them to boost their productivity (Sa'ad 'Ali and Ahmad 'Ali 2009, p. 231).
- Investment in human capital can be defined, moreover, as the method or mechanism through which the institution can allocate a certain amount of money in order to train its human capital scientifically, which contributes to achieving its objectives within a certain period of time (Hassan 'Adjlan 2008, p. 157).

### **2.1.2. The Objectives of Investment in Human Capital**

Investment in human capital aims to:

- determine the impact of the organization's members on business and their contribution to the value of the organization;
- demonstrate that human resources' practices produce value for money in terms of return on investment;
- offer guidance and orientations on future human resources and business strategies;
- provide data that will guide strategies and practices designed to improve the management's efficiency of the organization's staff (Armstrong 2008, p. 108).

## **2.2. The Dimensions of Investment in Human Capital**

The importance of caring for the development of human capital has a multidimensional perspective:

### **2.2.1. The Cultural Dimension:**

The increase in the proportion of educated human capital manifests itself in the civilizational development, in that the human element acquires the capacity to carry out its work faster and better (Muhammad Nadjib 1996, p. 240).

### **2.2.2. The Economic Dimension:**

The human element is a key component of production in developing countries in general. Through qualified and trained human capital, economic



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development programs are implemented to advance the state and provide goods and services for its population; an individual who has acquired proper education and training has a greater opportunity to work as a productive citizen who brings added value to the revitalization of the economic cycle. Therin lies the role of our universities in developing human capital to catch up with developed countries (Munir ben Ahmad 2015, p. 119).

### **2.2.3. The Social Dimension:**

It is known that education develops the individual's mental and intellectual abilities and balanced behavioral patterns and values that make him/her more able to understand social problems and establish family ties. This is in addition to the tangible impact of education on human self-perception (Amin 1998, p. 164).

### **2.2.4. The Scientific Dimension:**

Education produces scientific experts who are well equipped to do research and foster innovation, invention, and development. Those who are well-educated are able to make a qualitative and epistemic shift within educational and non-educational institutions (al-Karyouti 2010, p. 175).

### **2.2.5. The Security Dimension:**

The higher the unemployment rate in a given society, the higher the proportion of the social, economic, and security problems; and vice versa, but on the condition that we turn our society into an educated one through which we will be able to achieve stability in security and in all fields.

## **2.3. Investment in Human Capital in Developed Countries**

Developed countries have devised policies aimed at strengthening and advancing their human capital, providing propitious conditions for individuals by encouraging highly qualified labour and enhancing the dynamics of the research base. It has also tried to take rigorous measures to fill all knowledge gaps to boost creativity.

These countries have thus worked hard to facilitate the movement of knowledge, putting technologies and information at the disposal of companies and bodies, and facilitating cooperation between all parties concerned.

In addition to all of the above, developed countries have sought to prevent the migration of human and intellectual capital by providing it with all possible means, encouraging organizations to invest in research and development, as well as keeping pace with global creativity and benefiting from research and development carried out worldwide.

## **2.4. Investment in Human Capital in Arab Countries:**

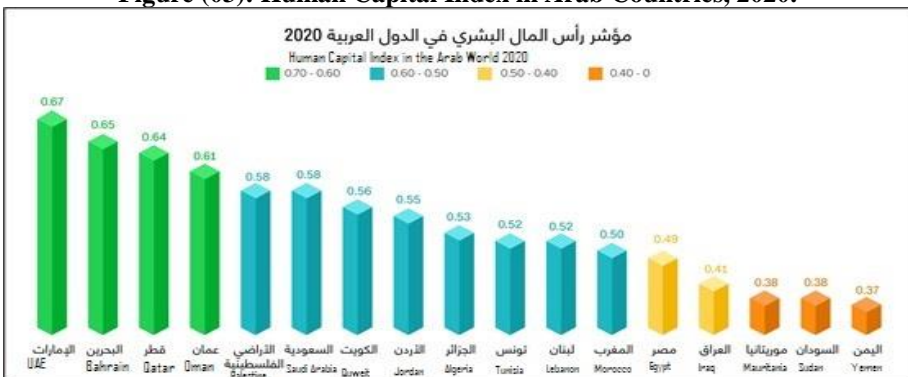
The application of knowledge management requires a set of elements whose availability in Arab cities we have investigated in order to determine how interested and capable they are to invest in human capital. Our investigation

demonstrates the following:

- Lack of realistic organizational and administrative structures: Most Arab countries lack regulatory structures, which reflects the reality of those countries. There is a clear deficiency in the structure of organizational bodies, which suffer mostly from a lack of transparent identification of powers and responsibilities that would prevent interference and double standards.
- Poor ICT (Information Communication Technology) infrastructure, in comparison to the steps taken by most countries in the world in switching to e-government and resorting to knowledge management application.
- The failure of development projects.
- The poverty of the educational systems in the Arab world.
- The digital gap in the Arab world regarding the ICT revolution, which poses both a challenge and an obstacle when it comes to knowledge management systems that rely on artificial intelligence.
- Leadership style: The leadership style of Arab organizations is characterized by bureaucracy and inflexibility in its conduct, which means that there is insufficient autonomy to allow for the exchange of knowledge in a way that enables intellectual capital to innovate.
- Organizational culture: Perhaps one of the most important features of organizational culture amongst workers in Arab organizations is the tendency to centralize and not delegate. This results in a proclivity for concentrating all information at the leadership level.

#### 2.4.1.Human Capital Index in Arab Countries (2020)

Figure (03): Human Capital Index in Arab Countries, 2020.



The source: The World Bank

<https://arabic.cnn.com/business/article/2020/10/06/human-capital-index-2020>

According to the World Bank, the project that was launched in 2018,

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which is deemed a key driver of economic growth, will help ensure that governments and societies around the world invest in the human capital of their citizens, which the Bank defines as “the knowledge, skills, and health capabilities that people accumulate over their lifetime so that they can exploit their potential as productive members of society.”

The Human Capital Index, which includes data from 174 countries, determines the extent to which health and education contribute to the level of productivity expected to be achieved by the next generation of workers. Countries can use this index to assess how much income they lose because of gaps in human capital and how quickly they can convert these losses into gains if they move swiftly.

Over the past decade, many states have made remarkable progress in improving human capital. Today, however, the outbreak of the Covid-19 pandemic threatens to reverse many of those gains, which means that the world today must adopt and implement urgent measures to protect advances in human capital, particularly amongst the vulnerable poor.

In the Arab world, the UAE topped the index as the best Arab country investing in human capital, followed by Bahrain in second place and Qatar in the third (Abderraouf Muhammad 2016, p. 78).

### **3. Creativity in the Economic Institution**

Doing business in economic institutions efficiently and effectively is no longer sufficient, which is why creativity must be the hallmark of its performance, in line with the rapid pace of change as well as the shift in consumer tastes.

#### **3.1. Defining Creativity**

The definition of creativity varies depending on the aspects through which it is studied, the most important of which are:

##### **3.1.1. Linguistic Definition of Creativity**

Creativity in Arabic is defined as the source of the verb “to create,” in the sense of inventing or innovating without depending on an earlier example (Fathi Abderrahman 2002, p. 20), or in the sense of coming up with something unfamiliar, or of offering something new to solve something old in a particular domain (Sayyid ‘Alioua 2012, p. 5).

##### **3.1.2. The Administrative Definition of Creativity**

Management academics define creativity as a manageable process, as that which brings a new idea, product, service, or process of better use value, one that achieves commercial success when applied (Nadjm ‘Aboud Nadjm 2012, p. 138). Creativity is also defined as not only an independent, individual event or a new idea, or the event of creating something new, but also as a comprehensive and integrated process that involves an interrelated set of systems and sub-processes within the organization (Sahir ‘Akrouh and Nadim ‘Akrouh 2005).

### **3.1.3. The Economic Definition of Creativity**

Economist Joseph Schumpeter was the first to focus on creativity in economics in his book *The Theory of Economic Development* (1934), where he defined the term creativity as the result of creating a new method or system in production that changes the components of the product and how it is designed ('Ala Muhammad Qandil 2010, p. 122). Schumpeter has classified creativity into five varieties (Muhammad 'Aouad al-Ziyadat 2008, p. 258):

- making a new product;
- introducing a new method of production;
- opening a new market;
- creating a new organization or enterprise;
- finding a new supplier of a raw material.

### **3.2. The Components of Creativity**

Many researchers believe that the elements of creativity consist of the following:

#### **3.2.1. The Ability to Plan and Think Strategically**

This is the ability to develop future plans for development and change, and to provide the means to deal with them with specific objectives that are written and consistent. In order for individuals to behave in a functional manner that achieves the desired goals and follows the drawn-up plans, they must be convinced that their personal goals are achieved alongside the overall goals mentioned above (al-Sheikh Ramadan 2009, p. 111).

#### **3.2.2. The Culture of the Institution**

It represents a set of beliefs, values, and shared expectations that interact with the setting-up of the institution, producing rules and behaviours that constitute the general framework of the actions and behaviours of the organization's members, affecting their performance and encouraging them to innovate within it.

#### **3.2.3. Organizational Loyalty**

Organizational loyalty is closely linked to the degree to which an individual is convinced of his or her presence, the importance of the organization's objectives, and his/her willingness to do more and sacrifice to achieve those goals. This kind of loyalty helps arrange priorities according to their importance, clarify the vision of the organization's leaders, and draw attention to creative and distinctive performances.

#### **3.2.4. Focusing on the Employees' Performance**

Creative institutions are characterized by their focus on performance and their interest in the employees and their sense of importance, making them feel that they constitute a significant part of the institution. This is by providing them with material and moral incentives when they make extraordinary efforts and are

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distinguished in their performance. The more rewards are given for good ideas that contribute to the progress and development of work; the harder individuals try to help achieve creativity. The institution's interest in performance and in their employees contributes to the liberalization of the employees' potential, which fosters creativity within it.

### **3.2.5. The Existence of a Favourable Organizational Environment**

An appropriate organizational environment is essential for creativity. What characterizes such an environment is a democracy that encourages creativity and development and offers opportunities for the employees to share their ideas and opinions. The appropriate regulatory environment focuses on openness, cooperation, harmony, and trust amongst all workers at various organizational levels. Crucial to it, furthermore, is respect for the other's opinions and encouragement of dialogue that motivates workers to make proposals for development and improvement.

### **3.2.6. Flexibility of Procedures and Regulations**

Legal and official procedures and regulations dominate many administrative bodies; they are deemed the most important determinant for assessing the competence and regularity of employees, regardless of their actual productive competencies and regardless of their capacities and creative effectiveness. The organization's commitment to, and literal application of, its regulations and laws transforms its organizational environment into a routine that kills creativity and restrains creative personalities.

## **3.3. Encouraging Creativity within the Institution**

Today, organizations are working on finding new ways and means to create a suitable environment for workers to find outstanding solutions and to solve all the problems related to the productive and organizational process. There are many ways to achieve this:

### **3.3.1. Training Workers to be Creative**

The transformation of any major institution begins with education, consistency, and capacity for fruitful production. The aim of the training is to help employees get familiar with the process of creativity, strengthen their abilities, and guide their creative capabilities towards serving the organization's goals. Training should incorporate understanding the characteristics of creativity so that its elements of knowledge, performance, and analysis can be grasped. It should also include experience in researching and performing creative solutions. Training can be carried out simply by putting trainees in a programmed environment, presenting them with the training's goals and giving them more freedom – and training must be a creative method in itself (al-Louzi 2003, p. 49).

### **3.3.2. Teaching**

### **a. Teaching Behaviours, Intellectual Orientation and Creative Tools**

Bell Laboratories has 100 different courses that help link the learning and practice of new intellectual orientation and creativity tools. The courses include the six ways of teamwork and thinking umbrellas created by Edward de Bono, as well as a course for a colour painting curriculum called active painting and passion.

### **b. Adopting Communication and Hybrid Fertilization**

LaSalle Bank – branch of Chicago – noticed that it did not benefit from the ideas of its employees, so it has initiated the creation of the Centre of Ideas to gather and work on ideas. This initiative has become an essential way for this branch to encourage the creativity of citizens by applying ideas that are submitted to the Centre with rules for placement. The employees' ideas have brought about many developments and improvements in the products and processes of both the organization and customers. Entertaining these different ideas has led to radical transformations that have paved the way for more ideas, enthusiasm, and outstanding work.

#### **3.3.3. Facilitating Participation amongst Team Members**

Ideo, a California-based design company, encourages its team to brainstorm and imagine all kinds of potentialities based on the information they collect from customers.

##### **Motivation**

- Testing new behaviours by taking risks and opting for change;
- encouraging performance, pleasure, laughter, and recreation;
- stimulating analysis;
- promoting communicational relationships;
- stimulating the act of predicting ('Ali al-Silmi 2000, p. 277)

#### **3.3.4. Investing in Human Capital and Managing Creative Knowledge in the Economic Organization**

Knowledge has become an important resource and a productive and creative asset of wealth. Knowledge translates itself into growth and development at the macro level and profitability at the micro level.

### **4. Investment in Human Capital and Knowledge Management**

The knowledge factor is a capital for the organization because it is its first production factor and uses other factors of production to achieve the objectives of the organization. In this respect, management academic and economists have drawn attention to the importance of human capital represented by knowledge workers in modern organizations and the need to preserve it, as corroborated by the results of a study published by scientist Collins. The study, which lasted five years, focused on organizations that have achieved success in their work by

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virtue of their investment in and maintenance of human capital.

The organization should plan to invest in and manage this resource properly because after this process individuals become intellectual capital with knowledge in their minds. The organization must transform this knowledge into action, i.e., to convert individual knowledge into organized knowledge. The organization should acquire, store, transmit, disseminate, and implement this knowledge (Hussein Adjlan Hussan 2008, p. 135).

#### **4.1.The Relationship between Knowledge and Creativity**

The most important feature of the modern era, which is mainly reliant on the development of knowledge, is the great processes of creativity, both at the level of organizations and at the level of nations and peoples. In order for these organizations to keep up with the innovation, development, and creativity, without which they would not be able to survive, here are three ways in which implicit knowledge helps achieve the process of creativity:

##### **4.1.1.Problem-solving**

The biggest area for applying the concept of implicit knowledge is problem solving. Experts solve problems faster and in ways that are better than others because they have a great deal of knowledge in their minds and put it to use to solve problems.

##### **4.1.2.Problem-finding**

Experts here are trying to formulate and invent problems that the organization may encounter.

##### **4.1.3.Prediction**

Predicting what will happen at work (Rif'at Abdelhalim al-Fa'ouri 2005, p. 17).

## **II. Conclusion**

Investing in human capital is a radical shift in the nature of the organizations' business as they seek to build and develop knowledge through the use of information technology. Organizations will therefore be able to compete and survive by having human capital capable of creativity, innovation, and the creation of ideas in a way that contributes to increasing value and raising competence and efficiency. This is especially crucial in light of the intense competition, the liberalization of global markets, the revolution of information technology, and the knowledge economy whose premise is intangible assets. Thus, it has become necessary for organizations to pay close attention to their human capital, to develop and boost its capabilities through education, motivation, training, and participation in international meetings, which would enable contact with experienced workers who possess implicit knowledge. This would qualify human capital to be creative in all kinds of ways within the

organization. Institutional leaders, furthermore, must create a working atmosphere that helps to blow up and encourage the creative energies of employees by adopting the concepts of modern management.

**The study has reached the following results:**

We have found that the real capital which makes the difference between institutions is human capital, as the competitiveness of enterprises depends on attracting qualified and distinguished human elements in order to achieve their planned short- and long-term objectives.

Organizations can achieve creativity and innovation – be it organizational, technological, or productive – if they have the requisite infrastructure for an integrated and harmonious management building.

Human capital consists essentially of mental capabilities and intellectual potentialities; it is a source of information and ideas which must be invested in and employed positively in order to reach creativity and innovation.

Continuous evaluation of development programmes to assess change in the behaviour and skills of human competencies to achieve creativity within the enterprise.

**The study's recommendations**

can be summarized in the following points:

The organization's leading team should be concerned with the continuous development of human competencies and must carry out an ongoing evaluation process.

The organization should focus on improving the quality of the educational and training process, since the latter is crucial in developing the creative abilities of individuals within the organization.

The institution should pay more attention to its human capital in order to promote creativity within it.

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