CHAPTER 1
The Theoretical Framework of Human Capital

1.1 Introduction

The study deals with analyzing the overall impact of human capital in crisis management in the government ministries of Jordan, a country in the Middle East. The study attempts to explore the substantial contributions made by an organization’s human capital to the crisis management activities. The crucial role played by the human capital in any industry is typically assessed in terms of its positive and negative impacts on managing crisis in organizations, including government ministries. The human capital is responsible for protecting the welfare and safety of the organization as well as its employees. To be more specific, human resource (HR) plays a strategic role in organizational sustainability and crisis management through advanced preparations and effective measures, which involves security and safety initiatives that help prepare leadership development, talent management and efficient communication plans for supporting the crisis management process. In other words, an effective crisis management strategy essentially requires proper understanding of the things that the organization’s people need from management and the useful ways of providing it. When a disaster happens, there are certain measures needed to be taken by the employees, which includes immediate emergency guidance, aid and of course, assurance of safety. Therefore, in the process of development of a crisis management plan, the organization necessarily needs to involve its human resource management plan that would take care of its series of procedures aimed to sustain normal business operations.

However, the study explores two ministries, namely, Ministry of Interior and the Ministry of Health. The governmental system of Jordan typically bases itself on constitutional monarchy. A parliamentary monarchy is responsible for running the

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politics of Jordan, in which the head of the government is known to be the Prime Minister\(^4\). The present Prime Minister is Hani Al-Mulki. The different options for managing crisis in Jordan government ministries are thereby, thoroughly observed for understanding the pros and cons and the role of human capital in order to establish an effective procedure. Jordan is divided into twelve individual governorates, each of which is specifically headed by a governor, who in turn is typically appointed by the King of the country\(^5\).

Human capital training is an important aspect with respect to the association between age, experience and employee salary. Organizations nowadays focus more on investment for the improvement of overall employee skills and capabilities and establishment of potential talent rather than on the acquisition and selection of rightly skilled employees\(^6\).

After the organization incurs the hiring costs and expenses, they more often than not know just a fixed or limited sum of money about the capacity and capability of new workers. They attempt to build their insight in different ways testing, turn among divisions, experimentation, and so on\(^7\). For more noteworthy learning licenses a more proficient use of labor. Consumptions on securing learning of worker abilities would be a particular investment if the learning could be kept from different firms, for then efficiency would be brought more up in the organizations making the uses than somewhere else\(^8\).

The basic human capital investment model demonstrates the investments are more probable when the profits are higher, the expenses are less and the markdown rate is lower. However, the straightforward system does not address a few imperative elements, for example, where the preparing takes place that accommodates the

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preparation and pays for it, in addition to this, what part the "state" or aggregate plays in these matters\textsuperscript{9}.

Even though the theoretical or conceptual definition of human capital is quite obvious, the process of measuring human capital is difficult, as it practically a complicated job to observe the individual skills and knowledge. Precisely, it is even harder to design and implement a specific metric or criteria that can be compared and contrasted across individuals as well as countries\textsuperscript{10}. Thus, every organization requires following a strong human resources policy that takes proper consideration of the disparities and discriminations in human capital management within a reasonable amount of time duration.

Human Capital is a stock or collection of multiple elements including production and performance skills, competencies, abilities, talent, health and expertise of the organizational work force. On a similar note, physical capital is can be compared to human capital, however, concerns with the stock of equipment, plant, tools and machines\textsuperscript{11}. Human capital measurement tools include the degree of performance, production and efficiency of the organizational workers or work force.

In relation to this context, it can be said that the stocks of human capital and physical capital both are produced by means of a specific set of investment decisions. This investment is typically costly with respect to direct costs, for investment in human capital and opportunity cost of the individual times\textsuperscript{12}. The acquisition of talent during organizational business development, providing proper education or apprenticeship, real expenses that is treated as capital in person. These talents in turn are part of the society and therefore, hold adequate societal value.

1.2 The Concept of Human Capital

Human capital is viewed as a set of characteristics and skills that effectively enhance the degree of productivity. In other words, human capital is directly utilized for the production purpose. To be more precise, human capital can be thought of as a useful resource for overall organizational management. Writers in theoretical descriptions and acquisition of talent can adopt human capital, in its earliest form.

The concept of human capital further associates itself with human sciences development. It takes into account the acquired as well as innate skills of the organizational personnel and employees. The definition of human capital is unidimensional, as it typically consists of multiple dimensions or types of skills.

Researchers Antoci, Galeotti and Russu have also discussed the various sources of human capital differences, including the workers innate ability with their different types and amounts of skill. On the contrary, Abdullah and Sofian argue that organizations usually tend to utilize diverse approaches in order to accumulate and apply their knowledge and competencies with respect to increasing the organizational performance. Acemoglu, Gallego and Robinson highlighted the aspects of human capital investment from different perspectives, which ultimately emphasizes on the employers of labor. More specifically, Wright and Mcmahan says that human capital management does not limit itself to only the mere award of salary or wages, instead, it concerns with the involvement of the organization as well as in the personal and professional development front regarding the individual employee’s capabilities and skills. Hence, it can be said that the investment on the training, education, skills and expertise and values significantly increase the overall job satisfaction and

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employee performance along with ensuring less number of job turn over in the organization.

Researchers Booth and M. L. Bryan observed that human capital as the innate skills and capabilities, personal energy and behaviors possessed by people of the organization. Therefore, these elements collective construct the human capital of an institution, which is brought to the workplace\textsuperscript{19}. On a similar note, Budhwar and Debrah describe \textit{human capital} as the knowledge and skills of individuals that the organization is responsible for creating, maintaining and utilization\textsuperscript{20}. Ployhart and Moliterno defines human capital as the collective traits comprising of individual abilities, skills, expertise, knowledge and other relevant attributes, which solely facilitate the development of personal, economic and social well – being\textsuperscript{21}.

As per the opinion of Silos and Smith, the new theories of economic development and growth portrayed the concept of human capital as the collection of the individual ingrained as well as acquired skills and competencies, utilized by the organization for the purpose of improving their business productivity, revenue, market value, and overall company performance\textsuperscript{22}. However, authors in different studies often tend to omit the aspects of „commitment” from their necessary traits of individuals that attempts to construct human capital. However, Cadena and Keys additionally explains that no matter what type and amount of skills, knowledge or experience the people of the organization possess, without the spirit of „commitment” in the performance, it is not possible for any individual to perform as expected and meet their job satisfaction levels. In other words, organizations and their corresponding human capital may not perform well unless there is adequate amount of „commitment” for performing a given job or task in a credible manner\textsuperscript{23}.


Several previous literatures on human capital emphasizes on the individual innate and acquired characteristics such as knowledge, skills and abilities in the various definitions\textsuperscript{24}. However, there is greater need for investment in the areas of availing the provision of education and training for organizations for succeeding in the contemporary world of competitive market place.

In economic theory, researchers Morrisson and F. Murtin have talked about two basic approaches with respect to the management of human capital. These two approaches are namely, microeconomic approach and macroeconomic approach\textsuperscript{25}. Wright, Coff and Moliterno suggests that human resources are of particular significance in the multiple areas of economy, business management and employee workforce management\textsuperscript{26}.

1.3 The Importance of Human Capital

Human capital is considered one of the key success factors of an organization. Many of the previous studies have proved that most successful organizations tend to organize their management of human capital in a systematic and methodical manner\textsuperscript{27}. To look into this matter more closely, managing human capital efficiently involves the application of competence management as well as appropriate knowledge management practices.

In any private or public organizations, creation of knowledge is important along with the sharing, utilization and retention of the created knowledge. Moreover, in today’s technology driven days, innovation significantly depends on human capital\textsuperscript{28}. In addition to that, human capital management is essential with respect to meeting the need of developing a smart, productive and performance driven company that hires the right people and thereby gives them the appropriate and adequate knowledge.


along with the methods of sharing and utilizing that knowledge, which ultimately benefits the organization. Governmental as well as non-profit organizations can effectively develop innovation by meaning of creating a smart human capital management policy with valuable and unique competencies and knowledge, which in turn helps leading the organization to higher levels of performance and excellence.

The concept of investing in people is closely associated with developing human capital. It is that there is a dire need of efficient human resource specialist along with the human resource development techniques for intervening and helping in emergency or crisis situations. The importance of human capital in crisis management is potentially significant. It is because crisis management plan generally involves emergency response procedures, activity priorities, clear chain of commands and proper evacuation plans.

Human Resource (HR) managers essentially play a critical role as the driving force behind developing crisis management plans. Concisely, human capital is essential to accomplish the objectives of production. In other words, even if machines are capable of eliminating the requirements of having hundreds of manual workers, human capital is still needed to build, design as well as operate those machines. In addition to that, it is important that the knowledge based economy, which depends essentially on information, high-level skills and knowledge, increasingly realizes the importance of human capital. Employees come on-board a particular job with a specific level of human capital by means of adequate training and orientation. In addition to that, human capital associates with itself the activities of acquiring, cultivating as well as retaining the human resources of an organization.

Researchers Acemoglu, Gallego, and Robinson have said that human capital is one of the most valuable and important resources for any organization, as it can have a direct

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impact on the ultimate success of the organization’s respective business. To be more specific, the modern workplace is a competitive and dynamic environment that requires its employees, the workforce and its managers belonging from all individual levels for constantly improving and acquiring the common goals and objectives. This particular process requires the organization to make potential investments in the development of the human capital, the enhancement of personal and group management skill as well as the implementation of ethics and norms, which particularly characterizes the organization’s culture, management and leadership.

It is essential to upgrade the employee knowledge and skills in a regular basis so as to be able to cope up with the changing environments and situations. In this context, researchers Al-Beshtawi, Zraqat, and Hiyasat described Human Capital Management as the necessary tool that helps in training and educating the employees and thereby organize them as the valuable asset or one of the indispensable resources for the organization. Investing on, creating, maintenance and utilization of human capital plays a crucial role in the process of orienting new advancements to the organization’s system and its corresponding functionalities. In addition to that, it is also crucial to undertake a detailed and thorough induction program that leads to even distribution of information across the organization and establishing strong teamwork and leadership strategies. Apart from that, it is needless to say, that human capital management is a significant element considered by all organization for the purpose of hiring, managing, and training as well as retaining the talented, expert and high – performing employees and personnel.

The critical role of human resources concerns with the acquisition, cultivation and retention of human capital. In other words, human capital involves the responsibility

of finding, recruiting and selecting individuals having the required skills, abilities and knowledge and thereby, this staffing function is an indispensable part of the acquisition of human capital.

1.4 Human Capital Characteristics

A significant amount of prior surveys has explored the various indigenous characteristics of human capital. According to Wright and McMahan, human capital not only includes physical or manual labor, it additionally involves self – generating, expandable, shareable as well as transportable characteristics. In addition to that, the expandable and self – generating characteristics of human capital are significantly associated with the possibility that the organization’s knowledge asset potentially enhances the individual human capital. Apart from that, the shareable and transportable characteristics of human capital mean that the organization that acquired, created and cultivated the knowledge can distribute this knowledge to the others. Consequently, the volume of human capital is extended by its typical self - generating and expandable characteristics. Similarly, the second two characteristics i.e. transportable and shareable specifically define the range of human capital.

The opportunities of increasing individual income essentially depend on the level of individual productivity. Moreover, the organization involves collective competencies, company culture, organization routines and relational capital as part of the human resource management aspects.

Any organization, irrespective of its size, extent of resources, non – profit or commercial, requires human resources and human capital investments in order to operate. Furthermore, it is important that the different aspects of HRM base itself on energy and capabilities.


Pervasive process: Investing and development of human capital for an organization requires all levels and categories of people, operational staff and management. There does not exist any discrimination between the categories and levels.

Integrated concept: HRM in its extension incorporates workers viewpoint, aspects of welfare and Industrial relations perspective in itself. It is additionally coordinated as it takes of obtaining, as well as advancement, usage, and support.

The common characteristics of human capital can be divided into individual groups that can be typically named as general human capital and specific human capital. To be more precise, researchers Murthy and Mouritsen defined general human capital as the generic knowledge and skills. These elements are not specific to the organization. These attributes are typically accumulated through the working experience, training and education. In addition, the general human capital is characterized in such a way so that it can be embedded in an individual and is transferable to different industries.

Another classification of human capital is the 'organization specific' or 'task specific' human capital. This particular type of human capital is acquired through training and education as well as working experience.

To look more closely into the characteristics of human capital, researchers Ployhart, Van Iddekinge and MacKenzie have classified the characteristics based on three different perspectives such as individual, organization and society.

From the individual perspective of human capital, the concerns are usually regarding the enhancement of individual income that results from individual productivity. It

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typically takes into consideration the workers capabilities and possibilities to move towards the higher levels in the internal market.

On the other hand, according to the definition of the researchers Yusuf, Al-Attar and Al-Shattarat, the organizational perspective of human capital involves collective competencies, organizational culture, company routines and relational capital\textsuperscript{48}.

The societal aspect of human capital deals with the possibilities of human rights, democracy and political stability on the common consciousness with respect to the social constituents\textsuperscript{49}. At the same time, the link between the social consciousness and human capital is determined based off the close inter – relationship that is in turn a result of socio political development.

Modern organizations have understood the value every employee brings with respect to the establishment of human capital to the collective work force of the company. In this particular aspect, many different researchers have characterized human capital based on certain factors, as a person’s tenure, experience, health, education and training. For instance, the salary of a person is considered in terms of his or her college education and academic qualification\textsuperscript{50}. To be more precise, employee with higher level of educational qualification is seen to be earning more as compared to an employee who has acquired less educational qualification. Apart from that, Yamaguchi suggested that, an individual person’s level or amount of professional experience also potentially determines his worth or value in the organization he or she is working\textsuperscript{51}. For example, a person who has worked in the engineering industry for more number of years is naturally capable of offering greater value to a new organization, mainly


because he or she will essentially possess the knowledge and skills regarding how the specific industry works, its history and the things are handled in this industry.

1.5 Human Capital Components

In this section, the primary components of human capital are identified for investment from Jordan Government. The components are identified considering the major aspects of investment decisions from prior human capital studies. The studies have generally devised the major requirements of human capital investment keeping consideration on resource ability, their qualification modeling, and knowledge acquisition. For instance, any government should have key impact on human resources and their culturing in terms of gaining suitable outcome in case of crisis management. The concept of human capital is carried forward from the early research and recognition over the individual or firm’s decision in undertaking finance and funding process. The investments include a primary cost of investing training, education cost, health and safety accommodations, facilities, and facility development for proper resource management. The investment over human capital should be depicted in this section along with suitable provisions of productivity of the organization or concerned government. The investment decisions are mainly determined with suitable components showing the primary consideration on estimating human capital.

The human capital investment components are demonstrated here as following:

**Health and safety regulations:** The health and safety regulations are essential for maintaining human resources with relevant practices of nurturing their conditions. The poor health and unnourished safety methods are turned out to be primary concern for crisis in any government. The health and safety constraint is main part to affect the human work process along with quality of their services. The underdeveloped countries are now focusing in providing suitable accommodations and regulation-based procedures to avoid limitations in their performance and quality.

Human capital development for any organization and government requires professionals to incorporate an important role in ensuring employee health and safety. The health and safety responsibilities should be maintained with following some important points as following:

A. Understanding responsibilities in terms of managing employees, managers, supervisors, and other resources with health and safety regulations

B. Implementation of management policies for ensuring workplace awareness with individual roles

C. Establishment of effective manners with meeting those policy guidelines

D. Ensuring that employees fulfill the responsibilities as per the health and safety guidelines as well

The health and safety guidelines are included with some health and safety practices. The practices incorporate the prevention of work related injuries and ailment, promoting safety work culture along with all employees in one single facility. Again, the administration should follow reporting unsafe conditions and practices to keep disciplined work process. The occupational legislation and regulations should be aligned with health and safety practices to accept best quality accommodations for employees. The government should enforce every rule in work culture and reduce absenteeism injuries, compensation, and disability along with health care.

**Education and training deployment:** The education and training development is the next important component for human capital investment. In general, this constraint determines how the human capital should be formed to provide adequate training and education facility to the human resources. The proper utility setting to achieve higher level of education and training accommodation is addressed in this section. According to Teixeira and Tavares-Lehmann, the quote focuses on appropriate investment and return relation in education facility deployment as “Investment in education is not

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only highly productive but also yields increasing returns”57. To raise general standard of lifestyle for common human resources, the investment on human capital is combined with education and training facility deployment58. The adult education process implementation is another integral part in this concern as well.

Education and training is relevant for measuring the overall productivity of any organization with their effort and performance estimation. The employees should have proper training facility deployment to ensure better quality of work and services along with suitable performance requirements59. The primary consideration is turned out to be as why government and organization should invest in education and training facility deployment. The human capital investment is supported with measuring the major impacts of educational utility development. There might be most problems associated with measuring the impact of training and educational earnings, mostly it is viewed that higher educated or more-trained workers are with higher earning capabilities60. On the other hand, the scenario can be viewed as more earning capacities have much ability to acquire better educational and training facility61. In case of the second implication is true, then the ability-bias is turned out to be true in human capital investment.

**Facility development:** The facility or housing development is another important consideration for investing in human resource development for mitigating crisis62. The human capital formation is deeply rooted with facility and housing development for employees. The human resource development has facility and housing construction as major determinant of stating progress reducing crisis scenario. The underdeveloped countries are focusing on developing special accommodations and facilities along with incentives for private house construction to present healthy living

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conditions to the human resources\textsuperscript{63}. Therefore, some essential steps should be accounted for introducing subsidized facility schemes.

The housing and safe culture of building facility development includes better and suitable resource nourishment. The employees should be provided with safe and compact facility for their work, leisure spending, and other accommodations\textsuperscript{64}. The accommodation may include emergency health care clinic, food, and sanitation for better living conditions. In case of employees, those stay in certain organizations in order to serve work process, should be managed with particular schemes of better accommodations. There must proper incentives arrangement for particular employees in these concern\textsuperscript{65}. The contradictory views suggest that human resources should be nurtured with effective facility modification in order to employ suitable terms of work. Therefore, Jordan government should have major considerations in facility development for particular sets of employees.

1.6 Human Capital Measurement

The section determined the importance of measuring human capital investment requirement for any organization of government. Furthermore, the section depicted the drawbacks of human capital measurement limitations. Moreover, it points out the conventional methods in the practices\textsuperscript{66}. Then the section identified the new approach with suitable positive and negative aspects. The importance lies in terms of following aspects as:

1. Perceiving the importance of human capital investment, several nations including Jordan Government focuses on trying the effective and efficient manner too understand their existing status.


2. The human capital investment measurement is another important source for suggesting the implementation of necessary policies in resource development and improvement in practices.

There are certain drawbacks identified in terms of traditional measurement methods in human capital investment as following:

A. Firstly, Ployhart et al. suggested that some of the indicators are in consideration of human capital measurement as incomplete determinants (income and productivity).\(^{67}\)

B. Secondly, it is considered as difficult situation depicting the interdependent capabilities with individual and national economy growth estimation. The main link in between the human capital and economic performance lies in social and political aspect rather it failed to provide precise measurement in human capital. Ludwig, Schelkle and Vogel demonstrated that financial and human capital positively have impact on individual health estimation, however, it has no further implication of estimation.\(^{68}\)

The conventional measurement processes and techniques are identified to be in terms of three aspects as outcome, cost, and income approach. The approaches are identified as following underneath:

**Outcome-based approach:** The outcome-based approach is attempted to estimate the stock of human capital utilized as proxy of resource costs. However, the method includes drawback in student’s effectiveness and can be identified as participation in productive activities. Again, according to Leitch, McMullan and Harrison, the prior studies shows that the measurement is attempted to show the relationship in between the human capital and accumulated educational facility implementation years.\(^{69}\) However, the relationship was not too clear in this perspective to show proper connection in between the educational attainment and capital included. Wang, Jaw

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and Tsai claimed that the ratio in between the skilled personnel and total human resources can be utilized to measure the value of human capital\(^\text{70}\). The study showed positive responses in terms of the ratio estimation along with the constraints. Rauch and Rijsdijk suggested that years of training can be used to measure the stock of human capital in any firm. The method identified a bottleneck that ensures that duration of training is related with the productivity rate of that individual\(^\text{71}\).

**Cost-based approach:** The cost-based approach is mainly dependent over the human capital sock and total cost investment estimation along with single human capita. The estimation of human capital in this approach is supported with utilizing the individual investment expenditure with depreciation, discounted future income as well\(^\text{72}\). This approach is related with indirect measurement of human capital stock. The approach is quite difficult to estimate the investment boundary, and consumption in perspective of expenditure.

**Income-based approach:** The income-based approach is related along with the individual returns that are obtained from labor market through the individual educational investment amount. Bucci defined that aggregate human capital is total combination of quality adjustment with individual labor force and it presents the income utilized human capital stock\(^\text{73}\). Moreover, the unrealistic human factors can have suitable impact on individual person’s income. This approach could not provide a clear measurement for human capital with income estimation.

Limitations are identified in terms of conventional methods of measuring the human capital for any firm and organization. The demerits are as following:

I. Firstly, the human capital investment can have slight impact on individual outcome; the capital-unrelated factors mainly have impact on human capital investment.


II. Secondly, the conventional measurement can have rare impact on qualitative measurements benefits in health, fertility, and child morality as human resource capital.

III. Thirdly, the other indicators may have contribution over accurate estimation in human capital that is rare consideration.

IV. Fourthly, the human capital increase can have small relation in terms of social progress.

Now, the new approach of measurement is introduced to limit the shortfalls of conventional measurement for human capital. The new approach of measurement accepted the conceptual framework of human resource development\textsuperscript{74}. The United Nations Development Program (UNDP) includes human development index to constitute health, knowledge, and standard living culture with literacy rate, enrollment ratio, and GDP per capita as well. These quality indicators are supported with economic perspectives. The advanced measurement of human capital is accounted with human development with quantitative growth and qualitative progress\textsuperscript{75}. The network component of social capital includes the transportable and sharable aspects of human capital. The new approach required more attention on social capital.

Now, the new approach of human capital measurement is considered upon the following expansion tendency. The tendency lies on development and measurement with focusing the indirect indicators as education, monetary aspects. New approach should consider the non-monetary and "humanware"\textsuperscript{76}. The similar context shows that the human capital is related with social capital amount; hence, the core component is social capital. Again, the knowledge creation degree and sharing is related with several network on density and strength. Therefore, the new approach should consider the socio-cultural framework with society to estimate the human capital measurement. The approach should be introduced as standard practice of statistical agency for

\textsuperscript{74} Gennaioli, Nicola, Rafael La Porta, Florencio Lopez-de-Silanes, and Andrei Shleifer. "Human capital and regional development." \textit{The Quarterly Journal of Economics} 128, no. 1 (2013): 105-164.


including accurate capital amount in stock measurement\textsuperscript{77}. Furthermore, the prior studies have identified that human capital investment have measurement outcomes to individual employee, employer, and the economy. Consequently, the increasing resource tends to provide investment more on human capital from the organization and government. The healthy human capital allows them to be more productive within the firm. Again, the increased resources have more improvements in health; therefore, the measurement should have proper importance over the health factors.

1.7 Theories of Human Capital

According to Bae and Patterson, the skills or abilities of the employees for working within an organization are considered as a resource of intellectual asset of the organization. The main concept behind the consideration of the human resources as a capital is that the ability of the human resources are the main reason of the higher productivity of the organizations\textsuperscript{78}. The concept of the human capital in the area of the economics had been started in the year of 1897. After that many scholars written about the investment and returns in the area of the human capital. The strong representation of the theoretical aspect of the human capital was found in the theory given by Becker.

On the basis of the transferability of the gained skills and techniques, the theories of human capital can be distinguished between investments in the general-usage and specific human capital. According to Brymer, Molloy and Gilbert, this distinguish is important if the investments are associated with the training provided by the employers. As the return of the investment of the training program provided by the employer, the better performances of the employees can be expected at the firms\textsuperscript{79}. As per the Becker’s theory of human capital, productivity increasing is the main return of the employers provided training programs and has a significant relationship with the overall performance of the firm. This theory addresses these phenomena and


concludes two main concepts. The first conclusion is the employees will share the returns and cost of the investments done for the improvement of the firm specific skills of them. The second conclusion is the employers will not invest on the employees for improving their inability of working in the competitive labour market. Therefore, the employees need to bear the cost of training needed to be provided to them.

According to Bucci (2013), many of the economic historians have said that the sustainable growth of the economic condition of a country is highly associated with the status of the human capita of the firms of the country. Human capital theory is one of the most important parts of the modern economic theory of education. The concept of human capital is carried forward from the early research and recognition over the individual or firm’s decision in undertaking finance and funding process. The investments include a primary cost of investing training, education cost, health and safety accommodations, facilities, and facility development for proper resource management. The analysis of the human capital is getting high significance as a determinant of economic performance. The economic performance can be measured by analyzing the human capital and the other economic metaphors like „research”, „innovation”, „education”, „technological changes”, „productivity” and „competitiveness”. In the year of 1776, Adam Smith formulated the concept of „The Wealth of Nations”, which later become the science of the human capital. In the area of the education regarding the human capital, there were two concepts, one was the human beings themselves and the second was classified as the capitals. This was the scenario of the first school concept of the human capital education. Later, the modern concept came to the area of education, i.e., the human beings themselves are the capital to the organization and the nation.

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An important explanation of the relationship between the human capital theory and the economic growth has been given in the reformulation of the human capital theory done in the year of 1997. This reformation has stressed the significance of the training and education program as the key participator in the new global economy. In one of the report provided by the OECD, they claimed that the radical changes in the both the private and public sector economy had been raised in response to the globalization, which disturbed many of the established values and procedures in the area of the global economy. According to another report of OECD, internationalism must be a part of the higher education system for the development of eth human capita in broader aspect. The internationalism should be seen as the base of preparation for the 21st century capitalism. The reports claimed that the preparation for the capitalism through the use of internationalism in the higher education would increase the quality of education in the 21st century. In this concept the investment for the development of the human capital for the high economic growth can be started from the base level. The learning capabilities of the students would be increased by this education strategy, which would result in the high growth of the economy through the proper utilization of the skills of the properly learned human capitals. In the area of the reforming the structure of the human capital theory, the base of the nation state structural policy framework is the enhancement of the labour flexibility through the regulatory reform in the labour market. This reformation also has the focus in the area of the additional investment in the area of education, training and employment schemes for achieving the high-quality human capital.

There are many criticisms regarding the theory of the human capital. Among the significant criticisms, there are two major critiques; one is internal and another is external. The neo-classical economics has pointed out some deficiencies of the human capital theory [39]. The clearest articulation of the insufficiencies of human capital

hypothesis goes to the heart of neo-traditional financial aspects. The recovery of financial human science, specifically because of Sanders and Taber, looks to challenge the essential presumptions rousing the philosophy of neo-established financial matters. He asserts these lay on two essential building squares. The first is the way to go that the economy is a diagnostically isolate domain of society that can be comprehended regarding its own inside elements. Financial analysts are flawlessly mindful that governmental issues and culture impact economy, however they see these as exogenous components that can be securely sectioned as one builds up a system that spotlights on simply monetary elements. The second key establishment is the supposition that people demonstration normally to augment utilities. Here, once more, financial experts are intensely mindful that people are fit for acting nonsensically or in quest for objectives other than the amplification of utility, however the methodology of barring these deviations from the reasonability standard is defended by the push to recognize the center elements of an economy.

Economic sociology challenges the main suspicion by belligerence that the general public and society cannot be discretionarily part of from the economy. Obviously, both the general public and society shape the inclinations of people in different ways. Social variables additionally impact monetary legally binding exchanges. Indeed, even the agreement lays on social understandings and the legitimate structure which is itself verifiably decided. The methodological establishments of neo-traditional financial aspects cloud the social, social, and political determinants of monetary activity. Silos and E. Smith contends that this outcomes in an examination that is a historical and, through a tautological strategy, persistently rediscovers the centrality of simply monetary thoughts. Construct as it is with respect to the bogus reason of the "instinctive nature" of the quest for financial increase by human slants, the 'monetary error' envisions that industrialist social orders don't have societies in the way that

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primitive or pre-cutting edge social orders do\textsuperscript{92}. When we perceive that the quest for financial self-interest is itself a social creation, then it is obvious that we too are ruled by profoundly held, however unexamined, aggregate convictions.

Human capital hypothesis, then, is a devastated thought of capital. It can't comprehend human movement other than as the trading of items and the thought of capital utilized is absolutely a quantitative one. This overlooks the main issue that capital is an autonomous social power where the formation of social worth comes to fruition through its capital aggregation and persistent change through the course of items\textsuperscript{93}. Under free enterprise, work is basically isolated from the method for creation. Work and the method for creation are concentrated as products and capital in the hands of a contradicting class. The method for generation are physical as well as show up in social relations. The person under private enterprise can just understand the method for generation through offering his or her work product. The battle of the worker to enhance life's conditions is interceded then through the social relations inside which they get themselves\textsuperscript{94}. Given this clarification, human capital is a conceptual type of work a product and not capital. Items, for example, human capital are thusly part of the life cycle of free enterprise as a type of work and not ready to be traded autonomously of it.

The second supposition uncovered by Vaitkevičius et al., which is of essential significance to human capital hypothesis, is additionally open to feedback on an assortment of grounds. In present day human capital hypothesis all human conduct depends on the monetary self-enthusiasm of people working inside uninhibitedly focused markets. Different types of conduct are barred or regarded as just mutilations of the model\textsuperscript{95}. For instance, has contended that every one of the advantages of professional and expert training are restricted to the person who is taught. The


augmentation of judicious self-interest separate from the social gathering that the individual has a place, is a focal article of confidence in human capital hypothesis. A feedback of the reasonable utility maximization Mayer, Somaya and Williamson recommends that the rise of self-enthusiasm to a position of strength on which much financial examination rests, is itself an outcome of social game plans. What constitutes levelheaded activity depends to some degree on the setting which human capital hypothesis denies with its individualistic strategy. From a poststructuralist point of view, accentuates the risky way of individual discernment that is behind any idea of self-interest. As per Klomp and Haan, under states of multifaceted nature and instability, the crevice between judiciousness in real life and immaculate objectivity can be significant. Further feedback of human capital hypothesis concerns a more specialized issue with reactions about the occupation of the hypothesis as a method for representing national financial development. Contentions about financial development accounting, for example, Lambrecht Mayer, D. Somaya, and I. O. Williamson have shown the best case scenario that instruction adds to contrasts in income amongst individuals and afterward just in specific circumstances. This feedback originates from Li et al., who fights, "it must be said that the models so far inspected in the development accounting writing fall flat completely to clarify the instrument by which this impact is delivered". The conflict that financial development radiates from instruction is an illogical conclusion on the grounds that, while it might be allowed that training adds to development, so do numerous different exercises. Berk and Walden have mentioned that what must be shown is "not that training adds to development, but rather that more instruction would contribute more to development at the edge than more wellbeing, all the more lodging, more streets, and so on". The crucial thing that development accounting


disregards is the expenses of the assets as of now put resources into the instructive framework and thusly the computations let us know nothing about the net profits of spending for training. In this appreciation, Bishnu contends that "open use on tertiary training depends on the expenses of guideline as well as on the volume of direct guide to understudies" [14]. Boujelbene and Affes further notes that the "levels of open spending on understudy help can energize or dishearten the private interest for tertiary instruction yet can't specifically influence levels of monetary advancement or rates of development of GNP per head". Indeed, even inside financial talk, "contributing" in instruction, does not as a matter of course bring value [29]. By the by, the dedication of Western governments to training strategies of financial development through human capital improvement is progressively subsidized through private obligation as understudy advances [36].

Figure 2: Model of Human Capital
(Source: Bartel et al., 2011, p. 50\textsuperscript{101})

1.8 Investment in Human Capital (concept and dimensions and the factors influencing it)

Some of the activities in the area of the human capital management primarily affects the affect the future well beings of the employees and the employers. These activities also have significant level of impact in the present situation. In this area, the college

education or on job training both can be considered as the examples of the investment in the area of the human capital development. The on job training has the focus in the area of some particular skill development of the employees where the college education has a broader aspect of the skill development which has a high level of significant impact on both the present and future of a learner. Education and training development is the next important component for human capital investment. In general, this constraint determines how the human capital should be formed to provide adequate training and education facility to the human resources. The idea behind the investment is to gain profits in the area of economic development from the highly skilled employees. Properly skilled employees are able to perform better at their workplaces which are the reason of the high profit level of the organizations. The performances of the employees at their workplaces are the return of the investment done in the area of the human capital development. The skill development and performance of the employees are just the virtual concept of the investment and return. Actual investment and return is there. In order to develop the skills of the employees the training is provided to them. The training programs are done by investing significant amount of money and the good performances of the employees brings more money to the organizations they are working for. These are the main investment and return, which is behind the human capital investment and getting the return of investment.

This is one side of the human capital investment, which is the basic or fundamental theory of the human capital investment. According to Silos and E. Smith, schooling, college education, on-job training, medical facility providing, information gathering regarding the economic system if the nation all are the activities of the human capital investment. As per the opinion of Yamaguchi, the employees should work in a healthy atmosphere in well health condition. In this context, proper medical facilities should be provided to the employees. This is one type of investment in the human capital development. It is the investment in the health development of the employees.

The healthy workforce is the reason of higher productivity, which would bring more profitability for the firm. This is the return of the investment done in the area of the development of the human capital. On-job training is the procedure of the skill development of the employees in some particular areas. The skill development of the human capital start form the time of schooling. In the schools and colleges, the students are get ready for their future as the employees of different types of industries or organizations. The overall development of the employability skills are done in the college education of an individual. There are different types of practical works in different industries or organizations. In the on-job training, the employees are provided the specific job responsibility related activities. In some of the organizations, the on-job training is provided from the employers and in some others, the training has to be taken at the expenses of the employees at their own. It depends on the type and conditions of the particular industry and competitiveness of the labor market. As per Liu, the on-job trainings are the most common human capital investment. The return of this investment is clearly visible to anyone. The real income of the company is raised highly with the help of the investment in the area of the on-job training of the employees. On-job training regarding the skill development for working within an organization is not enough for the knowledge base development of the employees. The total development can be done by including the relevant information regarding the external environment of the market, the economic factors affecting the core business activities of the organization or the industry. The employees would be able to work at their workplaces for the highest level of earnings if they have all type of information regarding the core business activities of the organizations or the industry as they will know what do for the better earning and in which time. High amount of ROI can be achieved form the investment in the human capital can be get through the achievement of the competitive advantage in the target market. Therefore, the information regarding the activities of the other competitors and the whole competitiveness of the market is very vital for an organization. In this context, the

business organizations need to invest in this area for developing their workforce for gathering all the details about the required information\textsuperscript{108}. This is another type of the investment in the field of the human capital. The competitive advantage, which would bring more success and profitability to the organization is the return of the investment done for this purpose.

According to Bae, Kang and Wang, one of the important way to invest in human capital is to improve the physical and emotional health of the employees. The emotions of the workforce is a vital factor of the productivity and profitability of an organization. Therefore, the employers should invest in the area of the emotional health development of the employees. The emotional labour management is a vital job of the employer organization. Proper management of the emotional labour, the rate of job burnout and employee turnover can be reduced. This is profitable for the organization and is the return of investment in the area of the emotional labour management\textsuperscript{109}. The investments are done in this area for fulfilling the requirements and expectations of the employees. This is not only about the salary of the employees, the employers should focus in the area of other rewards and recognition at their workplaces. In the area of the physical health development, the investments are done for ensuring the health and safety of the employees at their workplaces. The investments are done in the area such as health check up, arranging medical facilities, providing proper treatments to the employees.

1.9 Human Capital in Islamic Thought

According to the Islamic perspective, the human capital is the combination of both the physical and spiritual concept of the human beings. The concept of the human capital in Islam was founded by the tawheed concept. With respect to the Islamic comprehension of human capital, Muslim legal advisers and analysts of the Qur'an have utilized the term ahliyah, to connote the human limit and wellness to perform what's more, hold certain social and religious commitments. Actually, ahliyah indicates inclination, wellness, fitness legitimacy, power, and capability, which by and large suggest the human capacity


what's more, quality to play out specific obligations diligently. The employees must be aware about the factor that whatever the organization is they working for, their soul is devoted to Allah. Therefore, the human capital is a gift of God (Allah). According to Muslim legal advisers ahliyah is comprehended as the "qualification to hold obligation and the legitimacy of having honest to goodness rights". Qualification here signifies the human capacity of performing and contributing adequately to the advancement of life deliberately. While principally the term ahliyah indicates the human instinct in the Islamic law, officially, acquiring ahliyah intends to achieve the level of scholarly development and mental wellness, where the individual is qualified for be completely capable and responsible, and anticipated that would add to the improvement of human life. Henceforth, however in lawful terms ahliyah makes ready for the person to have lawful commitment and rights, it allows the privileges of work and flexibility of decision for the individual. Ahliyah comprise of different classifications of human capital advancement, first is ahliyah alwujub, i.e., the ability to appreciate with every single due great person. This kind of ahliyah is expected to every human individual from the phase of baby to death, where each and every person are regarded and treated separately. It concedes the person to appreciate the fundamental human rights, for example, the privilege of possession, and the privilege of assurance and security. This sort of human capital is basic and fundamental foundation for the advancement of human ability of generation, for the reason that without perceiving the fundamental privileges of proprietorship and presence of the human individuals, it is difficult to consider human development and advancement. In the wake of getting a charge out of, the essential rights and needs, the individual then moves to the level of ahliyah al-ada'a al-naqisah, i.e., the incomplete limit/inclination to play out specific obligations, because of age and adolescence. At this stage, the individual is not absolutely autonomous, but rather with the supervision of somebody, he is permitted to play out specific assignments, without bearing the lawful results of such administered activities.

With respect to the characteristics of "human capital improvement" the tawhidic perspective of Islam shows that "human capital" is both "honorable and productive".  

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It is honorable in light of the fact that human capital comprises the scholarly and good qualities whereupon man gets to be khalêfah (vicegerent or trustee). Both the Qur'an decrees and Prophetic declarations show that, however every part of human character is basic, caliphological obligations of man are just completed through clever and capable human capital\textsuperscript{112}. This is on the grounds that, the occupation of arranging, sorting out controlling and delivering, which is crucial for monetary development and social improvement, is achievable just through multi-faceted and clever experts.

1.10 Theoretical Framework

![Diagram](https://example.com/diagram.png)

**Figure 3: Theoretical Framework for Human Capital**

(Source: Created by the Author)

In different events the Prophet of Islam (s.a.w), demanded that: "al-mu'min al-qawi khayr wa ahabila Allah min al-mu'min aldha'if, i.e., the solid and the skilled adherent is better and nearer to Allah than the powerless adherent". In spite of the way that every single mu'min (devotee or believer) is independently great, but the fact is that the correlation and superlative words utilized by the Prophet (s.a.w) in this

portrayal. For example, "best and closer" imply the significance of "human capital" in connection to social furthermore, monetary development of the general public in the Islamic point of view, henceforth the gifted and skillful Muslim experts are superior to the layman Muslims.

1.11 Human Capital in Jordan

In Jordan the concept of the human capital is subdivided into the elements “Learning and Education”, “Experience and expertise” and “Innovation and Creation”. The human capital is considered as the most valuable intellectual property of an employer organization. Most of the Jordanian population is the young people - 42.2 percent are 14 or more youthful, while 31.4 percent fall somewhere around 15 and 29 years old and as of now very nearly 33% of all Jordanians are enlisted in instructive offices. Training is free for all essential and optional school understudies, and necessary for all Jordanian youngsters through the age of fifteen. It is evaluated that Jordan has accomplished more than 95 percent enlistment for its school age kids, as contrasted and just 47 percent in 1960. Not at all like in numerous different nations, in Jordan there is a little dissimilarity in grade school participation rates amongst urban and country regions.

The principle issues which the Jordanian instructive framework is confronting now are twofold. To begin with, the nation's prospering youth populace requests the proceeded with extension of the instructive framework. Alongside this quantitative extension, Jordan looks to enhance the nature of its instructors, books, educational modules and offices. In the region of advanced education, the nation has experienced unevenness between the college and junior college frameworks. The Ministry of Higher Education is presently effectively advancing the advancement of Jordan's junior colleges and empowering enlistment in them, to better match the nation's instructive framework with its work market, which as of now experiences a deficiency of mid-level professional abilities.


A standout amongst the most critical strategy decisions that has profited Jordan's instructive framework has been the choice to support spending on essential training over advanced education. This has encouraged the nation's objective of all inclusive enlistment and has supported proficiency levels all through the overall public. By reliably designating more than three-fourth of the aggregate training spending plan to essential and optional tutoring, Jordan has received a populist way to deal with instruction which has profited the whole nation in the long haul\(^\text{116}\). Jordan's instruction record has demonstrated great by universal guidelines, and results from the prescience of the nation's administration, who saw the need to concentrate on building the nation's human money to meet the difficulties without bounds.

Jordan has reliably been refered to by Amnesty International as the nation with the best human rights record in the locale. This mirrors the reasoning of the Hashemites, as well as represents the capacities and individual characteristics of Jordan's ruler. To have kept up the Kingdom's dependability in the course of recent years, in a region of the world not regularly known for its quietness, is one of His Majesty the late King Hussein's most noteworthy accomplishments\(^\text{117}\). To do as such essentially through influence, not compulsion has made this deed much more noteworthy.

Inside Jordan, the general population has reacted positively to the liberal human rights motivation advanced by King Hussein and Prince El Hassan. Article 16 of the National Charter determines a promise with respect to Jordan's body politic to ensure human rights and to stick to the United Nations Universal Declaration of Human Rights\(^\text{118}\). In 1989, the Jordanian government marked the UN Convention against Torture and Other Cruel and Inhuman or Degrading Treatments or Punishments.

As a result of the education system and legislations regarding the human rights, Jordan has an educated and skill full human capital, which is helping the country to have a good economic growth and lawful maintenance of the employees in the workplaces. The health and safety of the employees are maintained with great care.


The Islamic perspective of the human capital development is maintained here\textsuperscript{119}. Therefore, the human capital is considered as a gift of God (Allah). The human rights of the United Arab Emirates maintained here.

1.11.1 Strategies pursued by the Jordanian governmental for the development of human capital

Researchers Mayer, Somaya, and Williamson have commented that the Jordanian society provide great emphasis on higher education as it is considered to be one of the most important tools of increasing the quality of life. In fact, the society makes significant discrimination among those who hold higher educational degrees and those who have not been fortunate enough to hold the same\textsuperscript{120}. On the other hand, authors Ployhart and T. Moliterno have noticed a significant demand for higher education among the citizens of Jordan and have also mentioned the fact that the government has utilized this very demand to develop well educated and efficient human capital for the nation\textsuperscript{121}.

It is a matter of fact, that Jordan as a country had realized the power and strength of the English language for long, courtesy to the fact that a significant number of citizens from the country had migrated to several parts of the Europe. Thus, the government of Jordan at present puts mentionable emphasis on the study of English in the primary educational levels. In fact, the strong hold of the Jordanian youth on the said language has increased the number of Jordanian students conducting higher studies and research work in all major well-acclaimed international institutions by manifold\textsuperscript{122}.

On the other hand researchers Klomp, Jeroen, and Jakob (2013) have pointed out the fact that the Jordanian government deliberately encourages students to undergo higher education in international institutes. In fact, the government has already implemented

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several laws and by laws so as to assist their students in achieving higher educational degrees\textsuperscript{123}. The following section of the report outlines several such legislative regulations that have been undertaken so as to facilitate the process of developing efficient and skilled human capital:

**a. The Higher Education Bursary by Law**

In 1957, Jordan Government introduced the scientific bursaries law that mandates Jordanian students to serve national or state educational institute for twice the time they spend in international universities while conducting their Ph. D\textsuperscript{124}. Besides this, the law also mandates them to mortgage their properties as an assurance of abiding by the above mentioned law.

**b. The Higher Education Privatization Law**

In the 1960’s and 70’s, the Government was the sole provider of higher education in Jordon. However, in 1998 the government introduced polices for allowing the privatization of higher education, so as to meet the growing demand of higher education\textsuperscript{125}.

Besides the above-mentioned regulations, the government has developed strategies for overseeing the following domains of higher education:

i. The governance of all public and private universities

ii. The admission process

iii. Quality assurance and accreditation process

iv. Scientific research development and

v. Technical education


1.11.2 Human Capital in the Health and Interior Ministries in Jordan: Importance and Challenges

As indicated by the Public Health Law, the Ministry of Health gives free medications to transferable ailments for all Jordanians and non-Jordanians through both preventive (immunization) and reparable techniques.

The wellbeing controls in Jordan commit all transients who expect to remain in Jordan for 30 days or more to experience a therapeutic screening for tuberculosis, HIV and hepatitis B. Screening for intestinal sickness is directed for a few nationalities that originate from Malaria-endemic nations. The Ministry of Health must educate MOI about vagrants found to have hepatitis B or HIV for expelling. The Ministry of Health has proposed a vital arrangement that includes leading three restorative examinations for vagrants. The primary examination is the pre-landing examination by exceptionally believable and certify wellbeing focuses in the nation of cause. This restorative examination is required for vagrants preceding section into Jordan. An assertion exists between the Ministry of Health and IOM workplaces in various trading nations for vagrant specialists to experience such tests. IOM, as a team with MOL, the Ministry of Health and work enlistment organizations, can accept a critical oversight part to ensure the validity of the restorative examinations, for issuing wellbeing endorsements for transients in the nation of starting point inside the strict conditions and for ensuring the abnormal state of straightforwardness of the testing comes about. The second examination is the passage examination to be directed at the most punctual time after the vagrant laborer enters the nation. The third one is the post-section periodical examination led after the transient laborer's entrance into Jordan to catch up on his/her wellbeing status. As per the methodology, the Ministry of Health will give free treatment to the sickness gave it is found after passage and is reparable. Another issue identified with wellbeing controls is the proposed arrange created by the Ministry of Health as a team with private insurance agencies to build up a medical coverage framework for vagrants for a sensible charge. A pregnancy test for wedded transient ladies ought to be incorporated into

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the bundle of restorative screening examinations for remote laborers. Current tests that are exceptionally exact and fast ought to be given by the Ministry of Health to spare both time and cash. These tests are for exploring certain sicknesses among vagrants and raising the mindfulness level of both bosses and representatives on the significance of leading medicinal examinations. The Jordanian Labor Law commits all specialists, whether Jordanian or non-Jordanian, in foundations to perform intermittent therapeutic examinations (like clockwork), including research center tests and X-beam, to screen for word related illnesses\textsuperscript{128}. In addition, Regulation No. 42/1998 of the Preventive and Therapeutic Medical Care for the Workers in Establishments commits managers to choose the required number of doctors and nurture or to set up a medicinal unit proper for the quantity of laborers. A specialist ought to be doled out in any office with various representatives surpassing 50.

The interior ministry of Jordan are facing the below mentioned challenges in the area of the human capital management.

**Organize the mix of improvement and helpful guide** - Jordan has truly seen outcast inundations as chances to propel its national advancement. The worldwide group must perceive this element and organize the coordination of national advancement help and philanthropic guide in its reaction to the Syrian displaced person emergency, which will profit both host groups and evacuees.

**Keep up assurance space for Syrian displaced people** - As host-group pressures rise, Jordan ought to oppose the political control of insurance space for exiles; it is basic for the human security of Syrians that Jordan guarantees shelter for evacuees.

**Formalize access to vocations** - Performing artists reacting to the Syrian emergency in Jordan must move their arrangement reactions from a crisis premise toward maintainable long haul approaches. With the Syrian emergency continuing, formalizing the financial division and empowering access to jobs in Jordan will moderate evacuee powerlessness, reinforce the Jordanian economy, and diminish crisis philanthropic interests.

**Engage neighborhood administration on-screen characters** - Universal guide ought to coordinate limit building projects to reinforce the capacity of Jordanian metropolitan performing artists to convey administrations to their masses and Syrian exiles.

### 1.12 Conclusion

The human capital is considered as a high significant asset of the employer organizations. The employees have to be skillful regarding the job responsibilities they have in their workplaces. The human capital is responsible for protecting the welfare and safety of the organization as well as its employees. However, authors in different studies often tend to omit the aspects of „commitment” from their necessary traits of individuals that attempts to construct human capital. It is essential to upgrade the employee knowledge and skills in a regular basis so as to be able to cope up with the changing environments and situations. Human Capital Management as the necessary tools that helps in training and educating the employees and thereby organizes them as the valuable asset or one of the indispensable resources for the organization. The idea behind the investment is to gain profits in the area of economic development from the highly skilled employees. Properly skilled employees are able to perform better at their workplace that is the reason of the high profit level of the organizations. The concept of investing in people is closely associated with developing human capital. It is that there is a dire need of efficient human resource specialist along with the human resource development techniques for intervening and helping in emergency or crisis situations. Human Resource managers essentially play a critical role as the driving force behind developing crisis management plans. Concisely, human capital is essential to accomplish the objectives of production.

It is essential to upgrade the employee knowledge and skills in a regular basis so as to be able to cope up with the changing environments and situations. The critical role of human resources concerns with the acquisition, cultivation and retention of human capital. The societal aspect of human capital deals with the possibilities of human rights, democracy and political stability on the common consciousness with respect to the social constituents. The health and safety regulations are essential for maintaining human resources with relevant practices of nurturing their conditions. Human capital
development for any organization and government requires professionals to incorporate an important role in ensuring employee health and safety.

The Islamic perspective of the human capital management is associated with both the physical and spiritual concept of the human behavior. Regardless of the working organization or industry, the employees’ souls are devoted to God (Allah). Therefore, the human capital is considered as the gift of God (Allah). In Jordan, the human capital management is good. The educational system of the country is efficient enough to develop the proper skills of the employees. The Islamic perspective of the human capital management is maintained. The human rights act of the country is also protective for the human capital.