## T.C. ISTANBUL AYDIN UNIVERSITY INSTITUTE OF GRADUATE STUDIES



## HOW DOES INTANGIBLE HUMAN CAPITAL IMPACT ON ECONOMIC GROWTH: A RESEARCH ON PRIVATE COMPANIES IN YEMEN

**MASTER'S THESIS** 

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Department of Business Business Administration Program

OCTABER, 2022

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**OCTABER, 20232** 

## APPROVAL PAGE

## **DECLARATION**

I hereby declare with respect that the study "How Does Intangible Human Capital Impact On Economic Growth: A Research On Private Companies In Yemen", which I submitted as a Master thesis, is written by me with no assistance in violation of scientific ethics and traditions altogether the processes from the Project phase to the conclusion of the thesis and that the knowledge I have obtained are shown in the Bibliography. (.../2022)

Ahmed Abdullah Ahmed ALHAHDA

### FOREWORD

I want to give thanks to my God, ALLAH Almighty for seeing me through this project, and giving me directions and people to help me in face of the challenges encountered in the completion of the research project. One of those people that deserve the plaudits is my supervisor, Dr. Murat Unanoglu, who was patient and thorough in guiding the process of this research. Let me also appreciate my wife and children for their enormous support to achieve this research. I am grateful to my course mates for their cordial support during this journey.

My parents, I thank them for their generosity and constant encouragement. And lastly, I want to thank the authors whose works contributed to the completion of this project and therefore the participants of the survey. My gratitude knows no bounds.

October, 2022

Ahmed Abdullah Ahmed ALHAHDA

# HOW DOES INTANGIBLE HUMAN CAPITAL IMPACT ON ECONOMIC GROWTH: A RESEARCH ON PRIVATE COMPANIES IN YEMEN

### ABSTRACT

The apparent influence of human capital in economic process in every country cannot be overemphasised. Human capital is the vital resource that's needed in every sector of an economy in a very nation. Unfortunately, for several years human capital advancement has been crippled with multifaceted difficulties that have hindered economic process in many economies; with underdeveloped economies suffering the effect of poorly developed human capital.

This research was carried out to analyze the impact of intangible human capital on economic process in Yemen. The researcher used primary data from 250 respondents and was analysed using IBM SPSS Version 26. In the end, it had been discovered that human capital, whether developed or underdeveloped, features a significant effect within the growth of an economy both within the long and short term.

**Keywords:** Human Capital Development, Organisational Performance, Economic Growth, Education, Health.

# EKONOMİK BÜYÜME ÜZERİNDEKİ MUTLU OLMAYAN İNSAN SERMAYESİ ETKİSİ: YEMEN'DEKİ ÖZEL ŞİRKETLER ÜZERİNDE BİR ARAŞTIRMA

## ÖZET

Beşeri sermayenin her ülkedeki ekonomik süreçteki belirgin etkisi fazla vurgulanamaz. İnsan sermayesi, bir ulusun ekonomisinin her sektöründe ihtiyaç duyulan hayati bir kaynaktır. Ne yazık ki, birkaç yıldır beşeri sermaye gelişimi, birçok ekonomide ekonomik süreci engelleyen çok yönlü zorluklarla sakat kalmıştır; az gelişmiş beşeri sermayenin etkisinden muzdarip az gelişmiş ekonomilerle.

Bu araştırma, Yemen'deki maddi olmayan beşeri sermayenin ekonomik süreç üzerindeki etkisini analiz etmek için yapılmıştır. Araştırmacı, 250 katılımcının birincil verilerini kullandı ve IBM SPSS Sürüm 26 kullanılarak analiz edildi. Sonunda, ister gelişmiş ister az gelişmiş olsun insan sermayesinin, bir ekonominin büyümesinde hem uzun hem de kısa vadede önemli bir etkiye sahip olduğu keşfedildi. terim.

Anahtar Kelimeler: Beşeri Sermaye Gelişimi, Örgütsel Performans, Ekonomik Büyüme, Eğitim, Sağlık.

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## ABBREVIATIONS

AAC&U	: Association of American Colleges and Universities
ACE	: American Council on Education
EG	: Exempli Gratia
GDI	: Gender Development Index
GEM	: Gender Empowerment Measure
GGG	: Global Gender Gap
GGI	: Gender Gap Index
GII	: Gender Inequality Index
HE	: Higher Education
IT	: Information Technology
NACADA	: National Academic Advising Association
UNESCO	: United Nations Educational Scientific & Cultural Organization
USA	: The United States of America

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## I. INTRODUCTION

#### A. Statement of the Case

Knowledge as the driving factor of business growth is regarded as a big cliché in recent times. However, little question is posed whether prosperous businesses manage to innovate continuously and depend on new technology and employees' skills and knowledge instead of assets such as factories or machineries.

Intellectual capital is the collection of knowledge possessions ascribed to a business and significantly impacts that business's competitive stance by enhancing value to defined stakeholders. In other words, the worth of the skills, knowledge, business training of a company or its employees, or any other proprietary material that can be made available to the company to give them a competitive edge is known as intellectual property. *Intellectual capital* is an asset primarily defined as the set of all information sources available to a business that can be utilized to generate returns, attract prospective customers, and also generate an innovative product or company improvement. It is also considered the total of employees' expertise, business processes, and other immaterial assets, which adds to a company's fundamentals. (Mitchell, R., & Meacheam, D. 2011).

It is hard to measure intellectual capital for some reasons. The first reason is that historical, although revised regularly, were originally modeled for tangible company possessions such as machinery or plants that represents industrial age assets. Secondly, assets that are intangibles are difficult to quantify and trade, for instance creativity and experience, are two assets at the heart of companies' knowledge base value yet challenging and unpredictable. It can turn up in some ways. Finally, intellectual capital is fiercely peculiar and constantly evolving in recent times; valuables for one business might be of a lesser value for a different business in the same environment. Consequently, the continuous challenge due to the varied instruments for comparison across business and industries. (Khalique et al., 2013) Human capital is used describes to the key qualities of a human regards are prime factors for the manufacture of goods and services. Human skills, intellectual background, habits, knowledge, energy, multilingual, personal and social features all shape the human capital. (Alnachef & Alhajjar, 2017).

Based on the findings in research several definitions of Human Capital have been established, therefore human capital is defined as the set of skills, knowledge, intellectual capability and attitude. Additional concepts such as test of psychometry and educational background are thought out by other authors. (Edvinsson & Malone, 1997; Schultz, 1961).

In light of defining Human capital, it should be noted that at the heart of business operations and innovation, intellectual agility, skills, attitude knowledge are the primary tools. Competence in human capital is often used to measure output and cited as a critical component of deriving economic growth and with its flexibility, human being find solution and improving new skills. (Martin-de-Castro et al, 2006).

Competencies of an employee is literally the capabilities of individuals to carry out their duties in the workplace without faults. Competencies can be broken down into individual skills and knowledge. Knowledge is learned either from school environment or from experience, in this context, it indicates the academic and technical expertise associated with a human level of education. Skills, in contrast, ask the sensible application of data. (Kang & Snell, 2009).

To understand the impact of Human capital in economic growth two relating parts must be taken into considerations; human capital and process. The relationship between capital and process is defined in the amount of investment that a company puts in its human resources. Thereby rewarding higher capacity employees who participate in advancing their knowledge and skill with incentives and raise in salaries. (Allen, T.D. & Eby, L.T. 2007).

Human capital can be seen as the driving force for economic growth and when harnessed properly, it brings enhancement productivity and innovative technologies. The difference between developing and underdeveloped countries in growth and investment in human capital. The underdeveloped nations need more investment in their workforce to build better educational systems and improve industrialization, leading to economic growth. One major factor for developing economy is the capacity to improve human capital in nations. According to Abramowitz (2003), the most crucial and assuring basis for development in production industry and economic growth is the capacity of the nation's human capital. In a research by Adeyemi and Ogunsola (2016) expounded human capital development as the method which includes choosing and guaranteeing that the people are given the tools, education, vocation, and experience in order to bring growth to the economy. The development of human capital ensures that all sectors and components of national economic growth is improved.

Human capital investment is therefore irreplaceable because it is fundamental to enhance productivity, skills, knowledge, and wellbeing of a nation's human resources to effectively exploit and utilize the available resources to increase growth and development. Nonetheless, no nation can gain sustainable economic growth and development without sufficient investment in human capital development. Omotayo (2015) stated that the model of human capital has shifted from emphasis on economic development theorists to coincide that the human capital quality significantly impacts economic growth and development. In developing countries, quality of human capital is insufficient compared to developed countries. This can be attributed to insufficient investment in human capital. Human capital involves health, education, and various human competencies which is able to improve productivity when developed (Todaro, 1990). Lucas (1998) went on to evaluate human capital in terms of investments in education and other skills, which are considered primal for improving employees value.

Human capital has extensively been identified as the utilization of critical assets which will create competitive benefits for organizations (Barney, 1991). Organizational capacity is enhanced by the quality of its human capital, thereby giving it an advantage in different consumer's demands and it plays prominent role gaining organizational success (Barro, 1991).

Human capital may be traced to the classical school of thought in 1776, which was referred to as a theory, in step with Fitzsimons (1999). Schults (1961) stated that human capital is one among the foremost critical factors determining an organization's economic process and productivity.

One of the many causes why human capital has been on the low side in Yemen might be due to the lack of investment in human capital. Generally, investment in human capital means spending on education, health, and social services. within the narrow scope, it means investing on learning and training. Even though education is important in improving the quality of life and ensuring economic and social growth (UNR, 1996), the event of human capital goes beyond the mere attainment of intellectual competence through education or living a healthier life through proper healthcare. To further discuss the essence of human capital in society (Bloom and Malaney, 1998) and (Bhargava et al., 2001) explained that health is a crucial factor of process since it improves the lifetime of the labor.

Stated by Lyakurwa (2007), human capital development can expand people's choices and opportunities. Improve the standard of life through healthy living from attained skills and knowledge and eventually improve the gross domestic product of a rustic and economic process.

The main issue related to the assumption that education is vital for economic process is the way to maintain a balanced position, where there no prevalence of either excess supply or scarcity of educated and qualified individuals.

#### **B.** Human capital investment:

There are two main classifications of Human capital namely; health and education. The health of the labour force of a country is directly proportional to the input-output of its revenue, this means that healthier employees tend to perform at optimal levels compared to a system of aging and unhealthy workforce. Whereas an educated workforce is also important for economic growth because education is the prime factor to carry out complex task in an organisation. This means that the workforce of an organization needs to be educated and healthy enough to perform task needed for economic growth. In advanced countries, intellectual competence is far more vital than physical capability in relations of workforce remunerations. Nonetheless, human capital investment in education and health are significant in the growth of an economy. (Weil 2013, p. 23, 42,170,171 & 178).

Growth theories have discovered the connection involving human capital advancement and economic development (Romer, 1986; Lucas, 1988). One aspect of the Lucas' concept on human capital is that investing in people leads to economic growth and progress. When a man is invested in, he develops into a valuable resource for economic growth and development. This is the reason it is critical for governments to focus their efforts on leveraging human capital and development. The reason industrialized countries are more productive is that they have highly developed human capital, whereas less developed countries are less productive because they have a low human capital development rate.

#### C. Human capital and economic growth:

Empirical study and technical advancements have resulted in huge energy being directed at human capital. Education and training have enabled economies to overcome production technique challenges and satisfactorily improve human capital in all countries with successful economic development (Becker, 1993). As a result, investing in human capital is considered as having an impact on a country's economic progress.

Neoclassical theorists acknowledge that technology and human capital are exogenous factors for discussing economic progress (Kar & Ar, 2006). However, neoclassical thought reinforced the concept of technical improvement that eliminates the challenges caused by population growth.

Since the appearance of Solow's (1956) growth model, education has been seen as a significant determinant in economic process. However, Solow did not exactly include education in his growth theory; rather, the first function of technology in his model supplied the rationale for the stress on education; fundamentally, an informed populace was required for technological development. Nelson and Phelps (1966) made the connection clear in what was called "investment in humans," arguing that employees required education to use new technologies, increasing productivity and improving economic process.

#### D. Education and economic growth

According to recent studies, education is vital as investing in human capital, as well as in aiding research, development and technology distribution. In terms of the relative relevance of the latter two factors, Vandenbussche, Aghion, and Meghir (2006) argue that innovation is a more important imitation for countries near the technological frontline. As a result, the human capital framework between primary and secondary education is critical, with primary education being more important for imitation and secondary school being more important for innovation. (Hanushek Ludger Wößmann, 2007)

According to (NIU Outreach May, 2005), higher education has traditionally incorporated economic development as a core aim. To boost economic growth, colleges and universities in the region typically allocate fiscal, physical, and human resources and establish entrepreneurial systems within their institutions. Higher education will play a significant role in educating individuals with the exceptional abilities required to adapt to changing employment requirements. Education and economic growth have close connection and among them some economist indicated the following:

Economist	Description
Makin, Romer & Weil, 1992	Education raises labour productivity, which boosts both demand and supply in the long run by creating a new equilibrium position.
Aghion & Hewitt, 1990	Education improves innovative abilities, which brings about technological improvement and, in the long run, economic growth.
Romer, 1989	Education provides fresh knowledge about current technology, which aids in the transformation of primitive technology into modern technology, which has a long-term favourable impact on economic growth.

Table 1: Education and economic growth have close relationship

#### E. Health and economic growth

To comprehend the connection between health and economic process, it's necessary to first define health broadly. Health is not only the absence of ailments; it is however the power of individuals to appreciate their full potential throughout their lives. Thus, health is an important asset that individuals have that has both intrinsic and instrumental value. Health has an indirect impact on the expansion of an economy. as an example, it affects production losses due to employee illness and boosts individual productivity as a sign of higher nutritional standard. Health however enables for the exploitation of natural resources that were previously inaccessible thanks to disease.

Through labour productivity, health encompasses a direct impact on economic process Barro (1996). The findings of empirical investigations indicate a really significant link between health and economic process. in line with Robert W. Fogel, huge gains in population food consumption have contributed to between one-third and one-half of England's economic process during the last 200 years. The presence of a major effect of health on economic process has been established for various historical periods and nations.

#### F. Statement of problem

The fundamental objective of this research is to provide more understanding of how human intangible capital effects growth on economic of the organizations in Yemen. This study is considered as expletory that explained more knowledge of how human intangible capital effects on economic growth to the country, origination and to the individual.

This research defines the role and impact of intangible human capital to economic growth. By that, the null hypothesis: Intangible capital development has impact on economic growth of a company, will be investigated and with the resulting knowledge justified, it will either be accepted or the result will usher a new hypothesis of either positive impact or negative impact.

The body of literature for this topic is limited, therefore this research is meaningful because it can add to the obtainable body of literature on the value impacted by intangible human capital development on economic growth centred in Yemen.

#### G. General objective

The core purpose of this research is to cross examine the impact of human capital development to the employees' commitment and how their commitments impact the performances of private companies in Yemen.

#### H. Specific objectives

1. To define the relationship between human capital and organisational performance in Yemen.

2. To determine the extent to which training affects the performance of a company in Yemen.

3. To examine the extent that incentives and compensation influences organisational performance in Yemen.

4. To investigate the impact of an improved working environment and leave on employee performance in Yemen.

### İ. Hypothesis

The following hypotheses were developed to guide this research:

**H01:** The relationship between organisational performance and human capital is mediated by employee commitment.

**H02:** The relationship between organisational performance and training and coaching is mediated by employee commitment.

**H03**: The relationship between organisational performance and incentive and compensation is mediated by employee commitment.

**H04:** The relationship between organisational performance and working environment is mediated by employee commitment.

**H05:** The relationship between organisational performance and employee attitude is mediated by employee commitment.

**H06:** Employee commitment has a positive effect on organization performance.

### **II. LITERATURE REVIEW**

#### A. Understanding human capital

Lucas (1998) and Romer (1986) did the initial research on human capital with the combination of human capital into their models, and therefore the research continues to the present day. Schultz (1961) separated human capital from the normal notion of capital and recognized it as an investment of data placed on persons, indicating that a labour force that is not knowledgeable would not contribute meaningfully to growth within the economy in developing societies.

Becker (1964) defines human capital growth as the collection of data, skills, and skills that an employee possesses as a result of successive investment in education and work experience. He defines human capital as an asset that generates measure, which encompasses personnel competences and organizational capabilities. Human capital development is described as a combination of 4 factors: education, experience, life and business attitudes Bontis (2001). Human capital, in step with (Hines 2000), is that the mixture of knowledge, competencies, creativeness, and also the capability of the company's workforce to accomplish the organization's goals and objectives. It also covers intangibles like the company's ideals, culture, and philosophy.

Employee commitment in organisations refers to being attached and loyal to the roles and objectives of the organisation. According to Mowday (1979) commitment consists of three different elements. Identifying with the values and goals of the organisation; the inclination to the organisation and the willingness to work and achieve the organisation's goals. Ali (2010) describes commitment as a state of an employee being bound by his or her actions to be involved in attaining the goals of the organisation. He described commitment to be a mediating factor in improving the performance of the organisation by being committed in carrying out his duties diligently. Training personnel increases a firm's human capital; nevertheless, this doesn't imply that the corporation will have more influence over its employees. consistent with Edvinsson, in a very free society, firms cannot own their human capital and must instead rent it (2007). in line with Seviby (2008), humans are the sole actual employees in company because all tangible and intangible assets are the result of act and consequently depend on the workers for his or her overall functioning.

According to Ahangar (2011), investment in human capital is the largest and most essential intangible asset in any organization that gives the products or services that customers require. It is the compilation of an organization's employees' knowledge, competencies, experience, abilities, and skills. It also comprises of the organization's creative potential and talent to be innovative. Human capital investment is increasing, yet there is no standard measurement of its efficacy in company financial sheets. The supportive infrastructure for human capital remains structural capital; it's the capital that continues to be within the office or factory after the workers have left. It consists of organizational processes, abilities, data, and patents. it's a company's asset, unlike human capital, and might be traded, duplicated, and shared within the organization (Ahangar, 2011).

Human capital is formed of a human or a group's capabilities, skills, and skills (Stewart, 1997). in step with Boujelbene and Affes (2013), human capital development is the ability of employees to provide value as a result of their knowledge, skills, competences, experiences, abilities, and skills. in line with Rastogi, the notion and perception of human capital stem from the actual fact that there's no alternative for knowledge and learning, innovation and creativity, capacities and competences (2000). consistent with Nielson et. al (2006), human capital development may be a core component of each organization and includes talented people, knowledge, and proper training that results in an organization's increased performance. From the research findings, the human capital development is the process of describing and recognizing people's capabilities and skills as they apply within the workplace and contribute to economic progress. Schmidt (2004) defines human capital as "intangible assets that generate future economic process," which encompasses individuals' knowledge and skills in addition because the organization's capacities.

Human capital, as stated by Mustapha (2005), consists of information, skills, expertise, and personality traits that enable employees to accomplish a in measure for particular activity that ends up the people. so as to spice up organizational efficiency, businesses must put forth purposeful efforts to have interaction workers in training so as to remain before the always rapidly changing business environment. Increasing trend in technological advancements and market economies has caused organizations to deliberately seek ways to develop and mobilize intellect, knowledge, and skills so as to fulfil the requirements of the business environment. This may encourage businesses to stay relevant. However, neglecting to educate and train staff on shifting business trends will lead to their relinquishing their positions to competitors who are maintaining with the trends.

According to Udu (2014), human capital could be a table of knowledge, abilities, and skills entrenched in a personal as a result of sufficient training, mentoring, and formal education.

Udu capital because (2014)defines human the development of a human knowledge, talents, and problem-solving capability that allows them to be valuable within the business environment. Per Stone (2002), human capital is critical to an employee's productivity. This establishes an institutional framework for acquiring information and skills required for operational productivity and efficiency. As a result, the extent to which an organization's personnel contribute in terms of mobilization, utilization, and resource allocation is heavily keen about human capital development. per Hill (2001), given the complexity of today's corporate environment, human capital is becoming a significant key component in determining employee job efficiency so as to maintain competitive advantage.

The impact of human capital on organizational performance is represented from both an organizational and a private standpoint, as these two components are essential to human capital (Marimuthu et al., 2009). Human capital has four distinct attributes: adaptability and individual competency growth, organizational competency development, and individual employability, all of which add value and increase individual and organizational performance. Garavan (2001), in line with Fatoki (2011), organizations with higher levels of human capital qualities in terms of information, abilities, and skills outperform those with lower levels of human capital attributes. Michael and Zaid (2014) investigated the impact of human capital development on organizational performance in Egypt's banking sector. in step with the survey, Egyptian banking sector professionals are skilled, knowledgeable, and competent. The study found a basic connection between human capital development and organizational success.

According to human capital theory, the amount of human capital is tied directly to the amount of performance both individually and economically (Wu, 2013). Human capital has several frameworks that, if strengthened, can have a big impact on emerging countries' economic progress. a group of policies now being supported by the World Bank and other organizations focuses on health and nutrition so as to reinforce human capital (Hanushek, 2013). Education and health investment both have a favourable and considerable effect on education and health capital accumulation (Baldacci et al, 2008). So as to attain economic process and development, developing countries must expand their human capital (education, health, and bigger and sufficient fundamental skill development) (Chu et al., 2016).

Measuring the outcomes of human capital investment in research is difficult since its aspects are linked. Higher levels of education, as an example, tend to lift public awareness and a spotlight to private health; higher levels of health can cause more opportunities and also the use of education capital, which may result in economic process. Because health interventions can greatly boost a human wage, health status could be a key component in economic success (Baldacci et al, 2008).

Extensive study has been conducted over the years to look at the positive influence of human capital on the expansion process in both developed and emerging economies. Barro (1991) discovered that whereas primary and secondary admission rates have a serious impact, adult literacy rates don't always. in line with Barro and Sala-i-Martin (1995), average schooling years have a beneficial effect on economic development. Bloom et al. (2004) examined the influence of human capital on the economy's expansion and discovered that both education and life contribute favourably to economic process. Improvements in health standards are related with a rise in output thanks to greater labour productivity and capital accumulation. Musibau & Rasak (2005) conducted research on the link between education and economic process in Nigeria. They employed two channels to demonstrate the importance of human capital in economic process. Human capital is utilized as a variable quantity of production within the first channel, and it positively

impacts economic process within the second channel through technology application. consistent with their findings, a well-educated and skilled workforce features a considerable impact on economic process via both routes.

Lee (2010) examined the impact of education on economic process in 75 countries from 1960 to 2000 using conditional dummy variables and education attainment for those aged 15 and up in 1960. Once continental dummies are controlled, the results reveal that education helps to reinforce growth in an exceedingly kind of economies. Zhang and Zhuang (2011) investigated the influence of human capital composition on economic process in China using the Generalised Methods of Moments (GMM), and therefore the results suggested that tertiary education had a greater impact on economic process than elementary and educational activity. The findings also show that developed areas benefit more from postsecondary education, whilst developing provinces depend on primary and instruction for growth.

Benhabib & Spiegel (1994) investigated the function of human capital in economic process and discovered that both human and physical capital had a favourable influence on economic process. Sacerdoti et. al (1998), investigated the consequences of human capital on economic process in Western Africa and located that physical capital had a greater positive influence on economic process than human capital. in step with the research, the rationale why human capital was ineffective was a scarcity of educated, skilled, and well-trained personnel who could apply sophisticated technologies in human capital. Evans et. al, (2002), used 21-year data across 82 nations to explore the results of human capital and financial development on economic process. The study demonstrated that financial development has the identical impact on economic process as human capital. Güneş (2005) used cointegration and a vector error correction algorithm to research the link between population expansion and its impact on economic process. He argued that increment had a short-term effect on economic development and had a negative impact on a country's economic process.

Taban and Kar (2006) used the causality test on annual data for Turkey covering the period 1969-2001 in a research study expressing the significance of human capital in an endogenous growth model and found a positive and reciprocal link between human capital and economic growth. Sarkar (2007) conducted study

using data from 92 nations from 1970 to 1987. He discovered similar findings to Benhabib and Spiegel (1994), demonstrating that human capital was effective and had a considerable positive influence on both productivity expansion and the prevention of income inequality.

In Indonesia, researchers investigated the interdependence of human capital development and economic growth in the aftermath of the country's economic crisis. Akita and Alisjahbana (2002) discovered in their study that locations with prime quality human resources may survive better when faced with a depression. in step with the study, the problem of human capital in developing countries isn't limited to low-level education and training, but also includes the country's existing incapacity to retain an outsized number of competent and professional workers. As a result, Yemen has lost a considerable amount of its skilled and professional personnel to other nations and has become increasingly reliant on expatriates for several essential jobs.

Wibisono (2001) included factors like educational attainment (evaluated as successful attainment of educational level), rate, anticipation, fertility, and morbidity rate in his research. in keeping with his findings, education, life span, and mortality are all beneficial influences on process. The research revealed that human capital, particularly education, is that the foremost significant contribution to process.

The Indonesia human development index, per Wibisono (2001), also demonstrates that there is a reciprocal relationship involving human capital development and process. As stated by Ramirez and Stewart (1998), while there is a relationship involving human capital and process, specific indicators associating them are still lacking in research study. in line with their analysis, a high degree of human resource capital development will affect the quantity of process through increase in population, innovation, and productivity. the pliability of the population to absorb and organize all process resources, like technology utilization or technical progress, are determined by their educational degree.

According to Mankiw et al. (1992), Barro and Sala-I-Martin (1995), and Barro (1996), educational durations or education have a substantial positive link with process. The results also reveal that by utilizing more specific filter measures on skill, a country with a literacy rate that's up to fifteen on top of the standard includes a 1.5 percent gain in GDP growth per capita, which contributes to process. As seen in recent research by Mansur et al. (2009), education improves work options then boosts somebody's income.

As a result, education is seen as a big and significant aspect within the building of human capital. The research also demonstrates a link between education spending and gender. In Africa, literate women tend to earn higher wages and have more literate children.

Lamartina and Zaghini (2007) discovered a positive association between public spending and per capita GDP in an exceedingly study of the joint development of expenditures and process in 23 OECD countries. As a result, an increase in government spending on human capital development is predicted to boost per capita output.

Ogujiuba and Adeniyi (2005) investigated the effect of state spending on education on process. Their findings revealed a statistically substantial correlation between concurrent and regular education spending, whereas capital spending had no significantly favourable impacts. Lawanson (2009) expanded on this research by integrating education and health costs in her model. Her primary goal was to determine the impact of human capital investment on process. She identified a transparent association between human capital development and process after regressing GDP on government expenditure on education, government expenditure on health, and admission rates.

Bratti et al. (2004)developed model a of human capital and process consolidation employing a sample of developing countries. Their studies demonstrated that an increase in primary and academic activity corresponds to an increase in an exceedingly country's output. They stated that demographic factors can influence human capital accumulation rates. They argued, as an example, that a rise in life at birth lands up during a rise in secondary and better education, whereas a fall in anticipation features a detrimental impact on teaching.

Loening (2004) employs a mistake correction methodology to research the impact of economic development on human capital in Guatemala. He investigated which two distinct mechanisms through human capital is His found maybe visiting influence process. research that a more educated proletariat gave the impression to possess a beneficial impact on process.

Devarajan et al. (1996) discovered that spending on health, transportation, communication, and education incorporates a good influence employing a sample of 14 Organization for Economic Cooperation and Development nations. the bulk of studies show that total government spending encompasses an adverse influence on growth (Roman, 1990; Alexander, 1996; Folster and Lai, 1999) inquiry in many industrialized and developing nations demonstrate a sturdy negative association between a mother's education and fertility, moreover as an honest relationship between a mother's education, her health, and so the health of her child.

Since the appearance of Solow's growth model, education has been considered a serious factor of economic process in any country (1956). However, Solow failed to expressly include education in his growth model; rather, the first role of technology in his model drove the stress on education; in spite of everything, education was required for technical development.

#### **B.** Solow growth model

Robert Solow, a laureate economist, created this model in 1956. He targeting one major factor in how countries differ or change over time since the assembly function described the connection between capital per worker and output per worker. It investigated how capital per worker is calculated. This model, often referred to as the Solow economic process model, relies on capital accumulation. It is guided by two factors: investment in machinery and computers, and therefore the creation of recent capital. The build-up of this capital over time is brought up as endogenous Solow growth. It simply implies that exogenous variables become endogenous variables. providing a transparent picture of technological advancement and capital accumulation across time. In his opinion, the function of technological advancement is critical, even more so than capital accumulation. This model describes that if countries utilise their resources efficiently, capital returns will drop and labour returns will rise. As stated by (Jones, 2013 & Weil, 2013), the assembly per worker is strongly enthusiastic about the country's investment rate. A country's steady-state level of productivity are higher if it is the next rate of investment. A steady-state level is a financial condition within which production per worker and capital per worker don't change over time. consistent with this idea, countries will progressively advance towards their steady state over time, but they will not do that if their capital stock is destroyed by various factors like earthquakes, civil wars, and natural disasters. per the thought, countries can defeat this stable ssituation and still progress by originating new technologies. Generally, Solow Growth model depicts that;

- 1. If two countries have the identical rate of investment but differing quantities of capital, the country with lower capital will have the upper rate of growth.
- 2. If two countries have the identical level of capital but differing rates of investment, the country with the upper rate of investment will grow faster.
- 3. A country's rate of capital growth will improve if it increases its level of investment. In the context of education, the Solow model predicts that if two countries have distinct levels of education spending but equal levels of capital, the country with educational activity funding will expand faster.Bottom of Form

#### C. Human capital development in developing countries

Productive capacity and growth are dependent on individuals (Schultz, 1961). The benefit of workers to an economy is understood as human capital, which has a substantial effect on individuals' lifetime earnings, economic growth, and promoting economic development and poverty reduction (Anyanwu, & Erhijakpor, 2009). According to research, human capital is not only necessary for economic progress but also for freedom (Zhang, & Zhuang, 2011) and provides countries with a competitive advantage (Wu, 2013). Human capital has two critical dimensions: health and education. The core benefit of human capital is the fact that a healthy and well-trained person can work in a more effective and efficient manner, as well as devote more time to constructive activities which lead to economic progress (Baldacci, Clements, Gupta, & Cui, 2008). A variety of factors influence human capital investment in emerging countries. In terms of education investment, research suggests that a high-performing workforce, basic skill development (which has a positive and large impact on earnings and job stability), and educational quality all have a considerable and beneficial impact on economic growth (Chu et al., 2013).

#### D. Human capital in Yemen

Yemen's human capital development has been hindered by persistent violence and instability, additionally because the government's lack of investment. Human capital in Yemen has been depleted before the country's continuing conflict, in step with a health and nutrition index. for instance, in 2009, 31.5 percent of the population, or approximately 7 million people, suffered from food insecurity, prompting the World Food Programme to demand quick and urgent interventions to avoid a worsening scenario. By 2011, over 44.5 percent of the whole population (11 million people) suffered food insecurity, an almost 60 percent increase from 2009. (WFP, 2012).

Yemen's rankings of the hunger severity index on its population, consistent with the world Hunger Index (GHI), are within the "troubling" category since around 1992. The education and employment indexes both paint a desolate picture of the human capital situation. capital before the present crisis, the majority of Yemen's male population commanded 4.86 million workforces, in line with the Yemen Labour Force Survey, although many were uneducated and unofficially employed. Only 23% of the population's workforce had gotten instruction, and only 8% had received post-secondary education (Yemen Labour, 2012). Moreover, experts observed during a symposium on human capital in Yemen in Amman that Yemen's education curriculum was obsolete and didn't provide enough practical training or effectively prepare pupils for the labour market. Yemen's rapid population expansion, together with an absence of foreign direct investment and weak economic development, resulted during a shortage of employment options for kids, moreover as a rise in unemployment and poverty rate within the nation (Ibid, 2012).

young and fast-growing population might be exploited Yemen's to support economic process provided the conditions are favourable and job seekers are presented with a range of options that promote progression supported excellence. Yemen's expanding youth population has been confronted with a piece market that's full of a scarcity of economic options and diversification, still because the country's prevalence of nepotism and corruption. the shortage of job possibilities for the country's rising population has fuelled instability, insecurity, and also the emergence of socioeconomic difficulties.

Yemen's conflict has left a path of destruction, and while it is impossible to measure the impact of the war on Yemen's already underdeveloped human capital, several health, education, and employment indicators present a bleak image for the Yemeni people. The country's human capital has been pushed back for years, weighing on the country's economic progress. An estimated 24 million people, or over 80% of the population, require humanitarian help so as to survive (Ocha, 2022). Yemen's economic recession has had a greater effect on the population than the conflict itself, and this is often one in all the most causes for the humanitarian crisis in Yemen.

According to a September 2019 UNICEF assessment, one in every five of Yemen's educational facilities that were active before to March 201 are now shuttered. per this estimate, Yemen has 2 million children who are now out of school, with over 500,000 up the sponge immediately after March 2015. (UNICEF, 2019). the quantity of child soldiers and child marriages has increased in number with the incidence of school dropouts. These worrisome indices have helped to demonstrate the implications of the crisis on the human capital of Yemen.

#### E. Human capital conceptual framework

This research employs the conceptual framework to further understand the different variables that make up research questions. It gives the researcher knowledge of how best the problems of the research will be explored, differentiates the research variables and gives specific directions the research will have to undertake, Grant & Osanloo (2014). Further described by Miles & Huberman (1994), as an arrangement of views, assumptions, concepts that guide and support the plan of the study. Conceptual framework presents the important variables, constructs, or factors, and assumes connection among each of them.

Based on the findings, the subsequent research hypotheses have been generated to aid in the research process:

**H01:** The relationship between organisational performance and human capital is mediated by employee commitment.

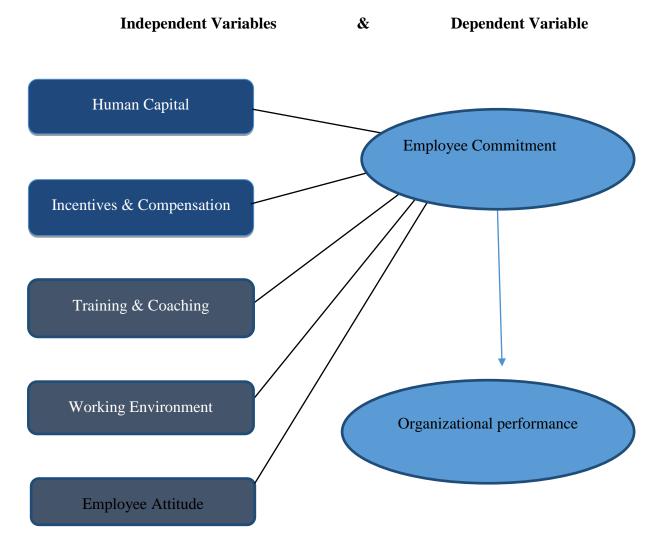
**H02:** The relationship between organisational performance and training and coaching is mediated by employee commitment.

**H03**: The relationship between organisational performance and incentive and compensation is mediated by employee commitment.

**H04:** The relationship between organisational performance and working environment is mediated by employee commitment.

**H05:** The relationship between organisational performance and employee attitude is mediated by employee commitment.

**H06:** Employee commitment has a positive effect on organization performance.



Source: Hameed A. & Waheed A. (2011), Employee Development and Its Effect on Employee Performance a Conceptual Framework. International Journal of Business and Social Science.2 (13)

- 1. Human Capital adopted from Woodhall, M. (1987)
  - The current working force in private organisations is well trained.

- Individuals with college degrees have better chances of growth in private firms.
- Skilled graduates are in high demand in private organisations.
- 2. Incentives & Compensation adopted from Baker et. al (1988)
  - Employees who undertake additional training are compensated for their effort.
  - There is room for paid educational leave and development courses.
  - Companies provide compensation for employees that surpass task targets.
  - There are incentives to outstanding project performance for employees.
  - Company gives employees good compensation packages upon retirement.
- 3. Training & Coaching adopted from Haslinda (2009)
  - Companies provide constant training for employees.
  - Employees with extensive training are given priority to handle pivotal tasks.
  - Reasonably, employees have access to development and training funds.
  - Employees are eager and curious to engage in skills acquisition and educational training.
  - Company offers employees mentoring and coaching guides.
- 4. Working Environment adopted from Athirah Saidi, N. S. et. al, (2019)
  - There is room for good interactions and rapport between employees in lower level, middle management and managers.
  - Employees engage positively and there is harmony among them.
  - Employees experience good quality work life.
  - Employee's wellbeing is taken into priority.
- Employee attitude & Job Satisfaction adopted from Saari Lise & Judge Timothy (2004)
  - Employees have a positive attitude towards work.
  - Companies provide good projects that engage employees, which gives them job satisfaction.

- Companies do not engage in random and excessive layoff of staff.
- Company provides job security and health insurance schemes for employees.
- Employee Commitment & Organisational Performance adopted from Ali et. al, 2010
  - There is increased employee commitment to perform at job roles.
  - Improvement in individual performance is appraised by organisations.
  - Most companies receive good ratings from retired employees who switched jobs.
  - Employees received promotions based on commitment and performance.
  - Organisational decisions are made with employees' welfare in mind.
  - Organisational performance is improved as employees are motivated to work daily.

# III. RESEARCH DESIGN AND METHODOLOGY

Survey of sampled population method is carried out during this research and data collections are both in the form of primary data. In order that the problems of the research are properly evaluated, a descriptive survey research design will be used and considered appropriate. However, it has been assumed that overall effectiveness in data collection and reaching a good response rate in any type of research is a function of efficient and successful administration and implementation of a survey research method. Nonetheless, effective and efficient implementation of research is focused on such issues as layout and design, piloting, pre-notification and follow ups (Harris & Ogbonna, 2001). These problems are placed in mind while conducting this research.

## A. Research design

This research was based and organised in the context of qualitative research in line with the social science method of in carrying out the design of a research. The design implementation is based on the variables under study, vis-a-vis, human capital development and organisational performance which are analysed comparatively and descriptively. This can be demonstrated through primary sources such as indirect interviews, personal observations and structural questionnaire.

## **B.** Population of study

The population of study for this research will be drawn from Sanaa, Yemen and other parts of Yemen.

## C. Sampling method

The sampling method for this research will be a convenience sampling technique. The convenience sampling techniques are sources of information for inquiry that undergoes the non-probabilistic method to pick out the samples of the research process. This study adopts the respondents that are ready to participate during this research. This research surveys 250 respondents from the population study.

## **D.** Instrument of data collection

The instrument used for data collection for this study is the questionnaire. The instrument is modelled to have a structured or close form of research questions. This makes way for only responses ratings of; Yes or No, and strongly agree, agree, neutral, disagree and strongly disagree. This shows the use of the Likert form of response collection.

## E. Validity and reliability of instruments

## 1. Validity of Instruments

The tools utilized have content and face validity in accordance with the research subject, problem statement, and objectives. Close-ended questions are used in the design of the questionnaire to corroborate responses that are error free and that at the same time will provide essential data for analysis.

The literature review embodied into the study from other sources are based on relatedness of topics and materials of analysis, as such the instruments are validated.

#### 2. Reliability of Instrument

The reliability of the instruments is dependent on two efforts. One is of the personal assumptions of the researcher due to personal experiences in the business environment. Similarly, the reliability is further affirmed by the use of the instrument (Questionnaire). There is a provision made for a five percent margin of error to allow access for bias and errors. This is done so as to confirm that responses are relatively or exactly the same. This shapes the basis of research instrument consistency.

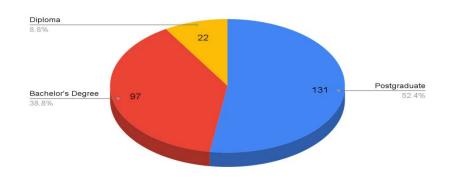
## 3. Method of Data Analysis

This study implements frequency tables and IBM SPSS statistical tool of analysis. The data collected from the questionnaire responses are tabulated using frequency tables that show the extent to which respondents responded to each question. This research uses SPSS analysis tool to test the hypotheses and measure the extent to which the factors are related. The analysis metrics used are Chi-square  $X^2$ , Regression analysis and ANOVA.

# IV. DATA ANALYSIS AND PRESENTATION

## A. Introduction

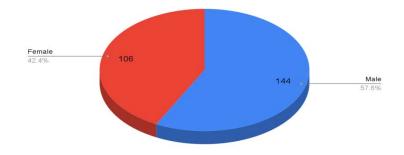
This chapter is based on the analysis of data collected through the instrument (questionnaire) and presentation of the results that were collected during the research process. The data is shown using figures and descriptive tables using IBM SPSS Version 26 for graphical representation and statistical package for the social sciences for testing the hypothesis.

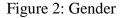


**SECTION 1: BIODATA** 

Figure 1: Academic Achievement

Figure 1 above shows that 22 respondents representing 8.8% of the population size have diplomas, 97 respondents representing 38.8% of the sampled size are bachelor degree holders, while 131 respondents representing 52.4% have post graduate degrees. From the data collected during this survey, the majority of respondents are Postgraduates, representing 52.4% (131) of total respondents.





The chart above shows that 144 respondents representing 57.6% of the population sample size are male. While 106 respondents representing 42.4% of the population sample size are female.

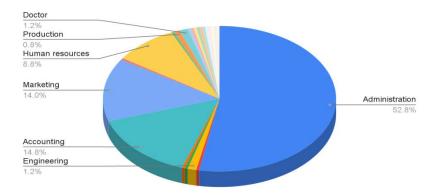


Figure 3: Department In The Company

Figure 3 shows that respondents representing 1.2% of the sampled population are doctors at their organizations, respondents representing 0.8% are production officers at their companies, respondents representing 8.8% are human resource officers, respondents representing 14% are holding marketing positions, respondents representing 14.8% shows that are accountants, 1.2% shows that they are engineers while 52.8% shows that they occupy administrative positions in their organizations.

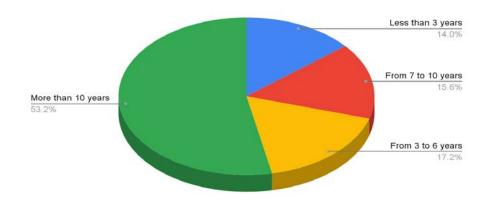
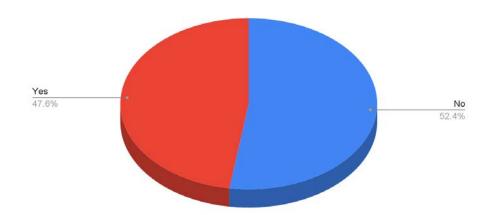


Figure 4: Years of Experience

Figure 4 above shows that respondents representing 14% of the population have less than 3 years working experience, respondents representing 17.2% are between 3-6 years in their working career, respondents representing 15.6% are between 7-10 years while respondents representing 53.2% are 11 years and above in their working experience.

SECTION TWO:



Part A: Human Capital:

Figure 5: Are Current Working Forces In Private Organizations Well Trained?

Figure 5 shows the extent to which respondents believe their workforce is properly trained. According to the results, 47.6% of respondents believes that the workforce in their organisation is properly trained while 52.4% believes that there is no adequate training for the workforce.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	28	11.2	11.2	11.2
	Yes	222	88.8	88.8	100.0
	Total	250	100.0	100.0	

 Table 2: Representation of Academic Qualifications

The table above shows the level to which employees believe growth in an organisation can be achieved by earning a college degree. According to the result 11.2% disagree that college degrees do not offer an employee a better chance in a private organisation. Also 88.8% believe that college degrees play a vital role in attaining growth in a private organisation.

Table 3: Are Skilled Graduates In High Demand In Private Organizations?

		Frequency	Percent	Valid Percent	Cumulative
					Percent
Valid	No	45	18.0	18.0	18.0
	Yes	205	82.0	82.0	100.0
	Total	250	100.0	100.0	

The table above shows that 18% do not agree that high skilled graduates are in high demand in their organizations. However, 82% of the respondents strongly agree that there is a high demand for highly skilled and knowledgeable graduates and this is as a result of the shortage of human capital in Yemen.

Part B: Incentives & Compensation

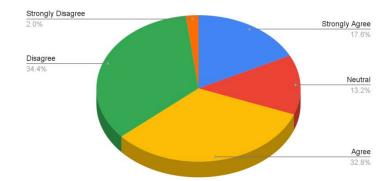


Figure 6: Employees Who Undertake Additional Training Are Compensated For Their Effort?

Figure 6 shows the extent to which employees who undertake additional training are being compensated for their effort. According to the results 32.8% of the total respondents agree that they are being compensated for undergoing additional

training, 34% disagree, 13.2% are neutral while 17.6% strongly agree with the research question while 2.0% strongly disagree that they are never compensated whenever they make efforts to undertake additional training.

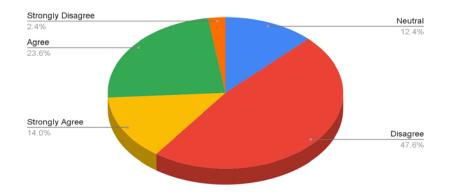


Figure 7: There Is Room For Paid Educational Leave And Development Courses?

Figure 7 shows the extent to how paid educational leave and development courses are available in their private organizations of the respondents. 14%% of the respondents strongly agree that they can access paid educational leave and development courses in their organisation. 23.6% agree that there is room for paid education leave and development courses, 12.4% are neutral about paid leave and development courses. 47.6% of the respondents disagree that there is paid educational leave and development courses, 2.4% of respondents strongly disagree to gaining access to paid educational and also development courses.

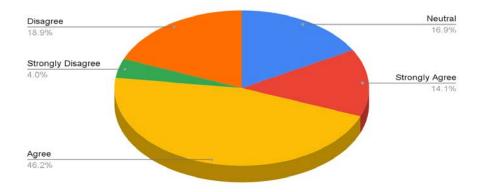


Figure 8: Company Provide Compensation For Employees That Surpass Task Target?

Figure 8 above shows that 14.1% of respondents strongly agree that there is

adequate compensation for employees that surpass their given targets. 46.2% of the respondents agree that they are also being compensated for whenever they surpass their task targets while 16.9% are neutral about receiving compensation from assigned tasks. 18.9% of the respondents disagree that they do not receive compensation from their organizations whenever they achieve their targets. While 4% strongly disagree that there is no compensation for surpassing their company target.

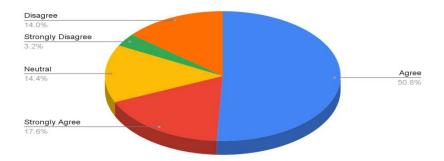


Figure 9: There Are Incentives To Outstanding Project Performance For Employees?

Figure 9 above shows the extent to which employees receive incentives for outstanding project performance in their various organizations. According to the result, 17.6% of the respondents strongly agree that incentives are being provided for whenever they attain outstanding project performance in their organisation. 50.8% of the respondents also agree that incentives are being provided for attaining outstanding work performance while 14.4% are neutral about receiving incentives. 14% of the respondents disagree that there is no provision of incentive for outstanding performance. 3.2% of the respondents strongly disagree with the relationship between incentives and outstanding performance in their organisation.

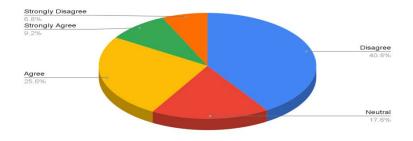
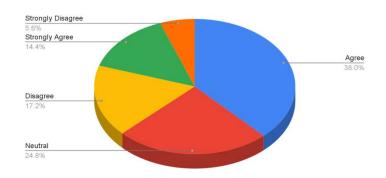


Figure 10: Company Gives Employee Good Compensation Packages Upon Retirement?

Figure 10 above displays the extent to which respondents believe their organizations give good compensation packages upon retirement. From the sampled population 9.2% strongly agree that there are good compensation packages being given to employees upon retirement from work, 25.6% also agree that there is provision of good compensation packages upon retirement while 17.6% are neutral about compensation packages. 40.8% of the respondents disagree that there is provision of adequate compensation packages upon retirement, while 6.8% strongly disagree that there is no connection between compensation and retirement packages in their private organizations.



## **Part C: Training and Coaching:**

Figure 11: Companies Provide Constant Training For Employees?

Figure 11 above shows the level to which respondents believe that companies provide constant training for their development. 14.4% strongly agree that their organizations provide constant training for their development, 38% agree that training is being provided in order to meet up with the competitive nature of the business environment. 24.8% of the respondents are neutral while 17.2% disagree that their private organizations do not provide constant training, while 5.6% strongly disagree that there is not constant training for personal development in their organisation.

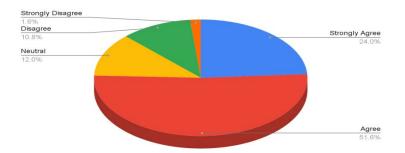


Figure 12: Employees With Extensive Training Are Given Priority To Handle Pivotal Tasks?

Figure 12 above shows the level to which employees with extensive training are being prioritised in handling pivotal tasks. From the sampled population 24% of the respondents strongly agree that employees with extensive training are being prioritised to handle vital tasks in the organisation. 51.6% also agree that there is preferential treatment given to employees with extensive training to handle important tasks within the organisation. 12% are neutral while 10.8% disagree that employees with extensive training are given pivotal tasks, while 1.6% strongly disagree with this claim.

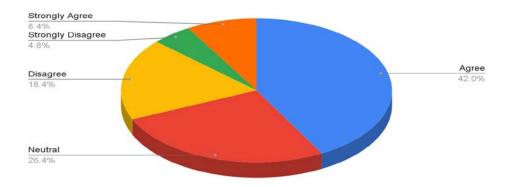


Figure 13: Reasonably, Employees Have Access To Development And Training Funds?

Figure 13 shows the extent to which employees have access to development and training funds in their private organizations. 8.4% of the respondents strongly agree that development and training funds can be accessed in their organisation, 42% also agree that funds for personal development and training can be accessed. 26.4% are neutral about accessing development and training funds while 18.4% disagree that funds for training and development cannot be obtained in their organisation, 4.8% also strongly disagree that development and training funds are highly inaccessible in their organisation.

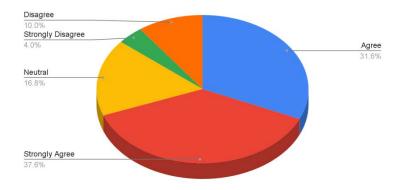


Figure 14: Employees Are Eager And Curious To Engage In Skills Acquisition And Educational Training?

Figure 14 shows the level to which employees are eager and curious to engage in skills acquisition and educational training. From the results above, 37.6% of the respondents strongly agree that employees are eager and willing to engage in learning initiatives in order to build on their talents and be more productive in their different organizations, 31.6% also agree to be able to have access to skill acquisition and educational programs, 16.8% are neutral about skills acquisition. However, 10% of the sampled population disagree with this research question and 4% strongly disagree with engaging in skill acquisitions and educational training programs in their organization.

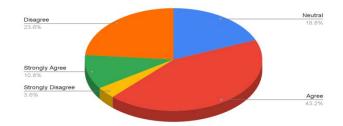
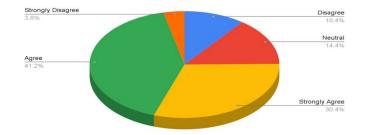


Figure 15: Company Offer Employees Mentoring And Coaching Guides?

Figure 15 reveals the extent to which companies offer employees mentoring and coaching guides in handling their job roles more effectively. According to the result, 43.2% of the respondents agree that mentoring and coaching guidance are being provided when handling a task or going about their job roles. 10.8% strongly

agree with this statement that employees are being provided mentoring and coaching guides while 18.8% are neutral. 23.6% disagree that mentoring and coaching guides are being demonstrated in their offices, while 3.6% strongly disagree that there is no mentoring or coaching guidance when performing their job responsibilities.



#### **Part D: Working Environment**

Figure 16: There Is Room For Good Interactions And Rapport Between Employees In Lower Level, Middle Management And Managers?

Figure 16 shows the extent to which employees believe there should be regular interaction between lower level, middle management and managers. According to the result from the survey, 41.2% believe that there should be a regular interaction between all levels of management in the organisation, 30.4% also strongly believe that regular interaction is vital in the organisation, 14.4% are neutral about employee interaction with other senior management employees while 10.4% disagree with this claim. 3.6% also strongly disagree that there should be limited forms of interaction between employees in lower levels and senior management.

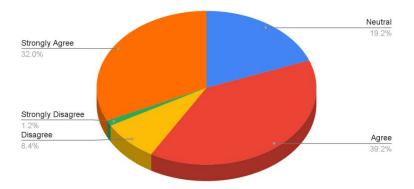


Figure 17: Employees Engage Positively And There Is Harmony Among Them? Figure 17 shows employee's positive engagement and if there is harmony

between themselves. According to the results from the survey, 39.2% of the respondents agree that there is harmony between themselves whenever they positively engage in their jobs. 32% also strongly agree that positive engagement brings about harmony between themselves, 19.2% are neutral about this claim while 8.4% disagree with employees engaging positively and bringing about harmony in the workplace. 1.2% strongly disagree with this statement.

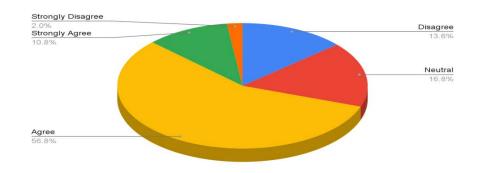


Figure 18: Employees Experience Good Quality Work Life.

Figure 18 displays employees' perception of the quality of work life in their various organizations. According to the result from the survey, 56.8% of the respondents agree to having a good quality of work life in their organisation, 10.8% also strongly agree to this claim of having good quality of work life, 16.8% are neutral. 13.6% of the respondents however disagree with having a good quality of work life while 2% strongly disagree with this research statement.

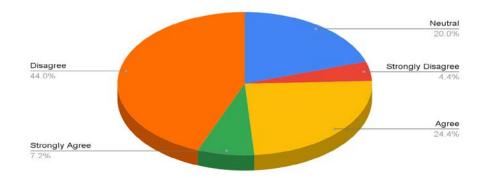
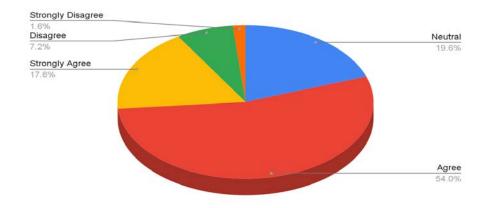


Figure 19: Employee's Wellbeing Is Taken Into Priority?

Figure 19 shows the extent to which employees' wellbeing is taken into priority in an organisation. According to the result, 24.4% of the respondents agree that their organisation prioritises their wellbeing as health is regarded as one of the

important characteristics of human capital in every nation. 7.2% strongly agree with the claim that employees' wellbeing is very important in every organisation. 20% are however neutral to this claim, 44% disagree with the research question while 4.4% strongly disagree that employees' wellbeing is not considered as vital in their organisation.



#### Part E: Employee Attitude

Figure 20: Employees Have Positive Attitude Towards Work?

Figure 20 shows the attitude which employees possess towards their job. From the above results 54% of the respondents possess a positive attitude towards their job, 17.6% also strongly agree to having a positive attitude towards their work while 19.6% are neutral. 7.2% however disagree with having a positive attitude towards work and 1.6% strongly disagree with being positively motivated enough to carry out their work responsibilities.

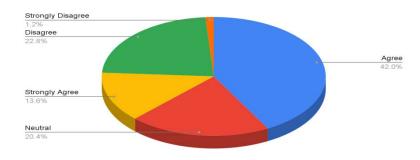


Figure 21: Employee Attitude Determines Their Performance In Workshops And Training?

Figure 21 shows employees' attitudes and how it determines their

performances in workshops and training. From the survey results, 42% agree and 13.6% strongly agree that having a positive attitude will determine their performance in workshops and training carried out in their organisation. 20.4% however is neutral about this claim while 22.8% disagree and 1.2% strongly disagree that their attitude does not determine their performance when it comes to undergoing workshops and training.

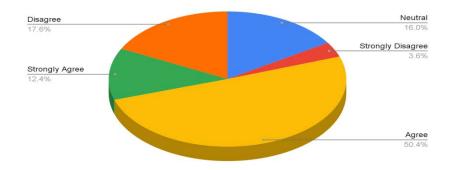


Figure 22: Companies Do Not Engage In Random And Excessive Layoff Of Staff?

Figure 22 shows the rate at which employees believe they get laid off in an organisation. According to the result, 50.4% agree and 12.4% strongly agree that their private organisation does not engage in random or excessive layoff of employees. 16% of the respondents are neutral while 17.6% disagree and 3.6% strongly disagree that their organisation does not engage in random or excessive layoff of staff.

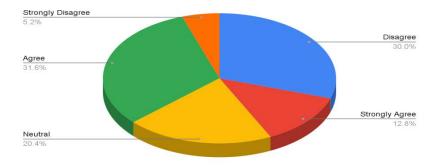
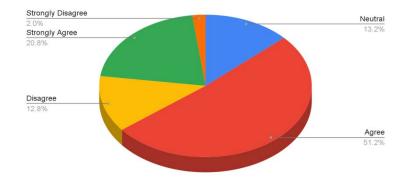


Figure 23: Company Provides Job Security And Health Insurance Schemes For Employees?

Figure 23 shows whether employees are being provided job security and health insurance schemes. From the results, 31.6% agree and 12.8% strongly agree to

having job security and also health insurance schemes as part of their employment benefits. 20.4% are neutral to this claim while 30% disagree and 5.2% strongly disagree with having job security and having health insurance schemes from their employers.



## **Part F: Employee Commitment**

Figure 24: There Is Increased Employee Commitment To Perform At Job Roles?

According to figure 24, the analysis comprises the respondent's belief in increased employee commitment towards their job responsibilities. From the results displayed above 51.2% agree and 20.8% strongly agree that they are committed towards performing their job roles at their organisations. 13.2% of the respondents were neutral, 12.8% disagree and 2% strongly disagree that there is no increased commitment towards performing their job roles.

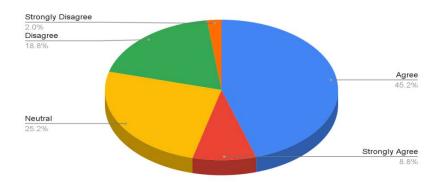


Figure 25: Improvement In Individual Performance Is Appraised By Organizations?

Figure 25 shows the extent to which employees rate the appraisal system in their organisation from individual performances. The result above shows that 45.2%

agree and 8.8% strongly agree that improvement in individual performances leads to appraisal by the organisation. 25.2% of the sampled population are neutral about this claim while 18.8% disagree and 2% strongly disagree that their improved individual performances are not appraised by their various organizations.

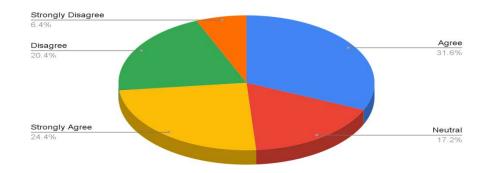


Figure 26: Most Companies Receive Good Ratings From Retired Employees Who Switched Jobs?

According to Figure 26 the data shows the level to which private companies receive ratings from the employees who have switched jobs. According to the result, 31.6% agree and 24.4% strongly agree that their previous organizations receive good ratings after switching to a new job. 17.2% of the respondents are neutral about the research question. 20.4% disagree and 6.4% strongly disagree that their previous organizations receive good ratings after they have switched jobs.

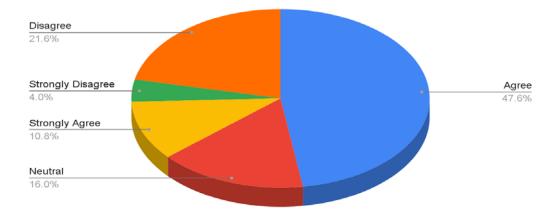


Figure 27: Employees Received Promotions Based On Commitment And Performance.

Figure 27 shows employees' response in regards to receiving promotions

based on their commitment and performance in their various organizations. According to the data above, 47.6% agree and 10.8% strongly agree to receiving promotions based on their actual performance and total commitment to work. 16% are neutral about office promotions while 21.6% disagree and 4% strongly disagree with not receiving promotions in their organizations despite their commitment and job performance.

## **Part G: Organisational Performance**

Organisation Performance Depends on The Commitment and Performance of Employees

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	127	50.8	50.8	50.8
	Disagree	16	6.4	6.4	57.2
	Neutral	28	11.2	11.2	68.4
	Strongly Agree	75	30.0	30.0	98.4
	Strongly Disagree	4	1.6	1.6	100.0
	Total	250	100.0	100.0	

Table 4: Organizational performance depends on Employee commitment

Table above indicates that organisational performance depends on employee's commitment and performance. According to the results, 50.8% agree and 30% strongly agree that the performance of a business vitally relies on strong commitment and performance of the workforce of the organisation. Also, the result indicates that 11.2% of the respondents were neutral while 6.4% disagree and 1.6% strongly disagree with the claims that organisational performance depends on the employee's commitment and performance.

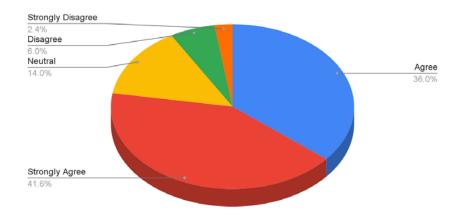


Figure 28: Employee Job Satisfaction Aids To Achieve Organisational Goals?

Figure 28 shows that employee job satisfaction can lead to the accomplishment of organisational goals and objectives. From the result above, 36% agree and 41.6% strongly agree that when employees are fulfilled with their current job positions there will be achievement of organisational targets. 14% of the respondents were neutral to this claim while 6% disagreed and 2.4% strongly disagreed with the research question.

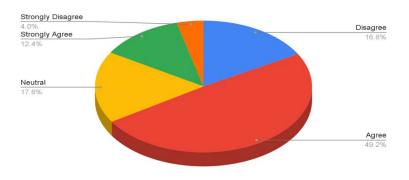


Figure 29: Organisational Decisions Are Made With Employees' Welfare In Mind?

Figure 29 shows the data to the extent in which organisational decisions are being made with the welfare of the employees in the organisation in mind. According to the results from the survey, 49.2% agree and 12.4% strongly agree that organisational decisions are being made with their welfare being taken into account. 17.6% of the respondents' response was neutral to the question while 16.8% disagree and 4% strongly disagree with the statement claiming their organisation's do not consider their welfare before making decisions.

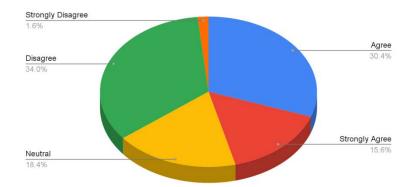


Figure 30: Organisational Performance Is Improved As Employees Are Motivated To Work Daily?

According to figure 30, the data above shows the level of employees who believe organisational performance is influenced when they are being motivated to work daily. From the results received from the survey, 30.4% agree and 15.6% strongly agree that the performance of the organisation is influenced and improved when they are being motivated daily to carry out their job description. From the respondents, 18.4% were neutral while 34% disagreed and 1.6% strongly disagreed with the claim that organisational performance is improved when they are being motivated to carry out their performance is improved when they are being motivated below the claim that organisational performance is improved when they are being motivated to carry out their responsibilities.

## **B.** Analysis

In this study, Cronbach's Alpha is utilized to assess the internal consistency of responses across the survey. Mohsen Tavakol (2011) discusses the use as a method of determining the dependability of survey data. The reliability scale is measured from 0 to 1 in the Cronbach's alpha, with 0 representing unacceptable and 1 being acceptable. Cronbach Alpha values are retrieved from previous studies based on their reliability, Saidi, A. et. Al, (2019) calculated an alpha value of 0.931 and Imran Ali et. Al, (2010) calculated an alpha value of 0.957 in their distinguish studies. These values are considered reliable and acceptable for use in this analysis.

## C. Hypothesis's Testing

ANO	VA <sup>a</sup>					
Mode	el	Sum of	df	Mean Square	F	Sig.
_		Squares				
1	Regression	48.352	3	16.117	14.697	$.000^{b}$
	Residual	269.764	246	1.097		
	Total	318.116	249			
a. Dependent Variable: Employee commitment						
b. Pre	edictors: (Const	ant), Human	Capital			

Table 5: ANOVA **H01**: The relationship between organisational performance and human capital is mediated by employee commitment.

The table above shows the significance level of  $0.000^{b}$  which is less than 0.05 (P value), therefore the null hypothesis is accepted as indicated.

Testing the second hypothesis with ANOVA tool reveals the data represented in table below. This shows a significant level of  $0.000^{b}$  proving that the second hypothesis is held.

Table 6: ANOVA **H02:** The relationship between organisational performance and training and coaching is mediated by employee commitment.

ANO	VA <sup>a</sup>					
Mode	1	Sum of	df	Mean Square	F	Sig.
		Squares				
1	Regression	48.352	3	16.117	14.697	.000 <sup>b</sup>
	Residual	269.764	246	1.097		
	Total	318.116	249			
a. Dependent Variable: Employee Performance.						
b. Pre	dictors: (Const	ant), Training	and Coachi	ing		

The ANOVA test on this hypothesis reveals that the hypothesis holds true as it is shown in to have a P value of  $0.000^{b}$ .

Table 7: ANOVA **H03:** The relationship between organisational performance and incentive and compensation is mediated by employee commitment.

AN	IOVA <sup>a</sup>					
Mo	odel	Sum of	df	Mean Square	F	Sig.
		Squares				
1	Regression	61.847	5	12.369	11.755	.000 <sup>b</sup>
	Residual	255.695	243	1.052		
	Total	317.542	248			
• I	Dopondont Voriah	lo. Organization	al parforma	nco		

a. Dependent Variable: Organizational performance.

b. Predictors: (Constant), Incentive and Compensation.

Better working environment and paid annual leaves improves employee attitude and overall commitment to work

AN	[OVA <sup>a</sup>					
Mo	del	Sum of	df	Mean Square	F	Sig.
		Squares		_		-
1	Regression	66.228	4	16.557	22.870	$.000^{b}$
	Residual	177.372	245	.724		
	Total	243.600	249			
a. Dependent Variable: Employee commitment						
b. F	Predictors: (Con	nstant), Work	Environmen	t		

Table 8: ANOVA **H04:** The relationship between organisational performance and working environment is mediated by employee commitment.

From the diagram above, the dependent variable – employee commitment, show to be significantly impacted by the independent variable – work environment. This reveals that the fourth hypothesis is supported with significant p value of 0.000.

**H05:** The Relationship between employee commitment and organizations performance is mediated by employee attitude.

The tabular representation below reveals data describing the ANOVA test for the fifth hypothesis. This figure shows a significant level of 0.000, supporting that employee attitude has an effect on their commitment to work and perform during tasks.

Table 9: ANOVA **H05:** The relationship between organisational performance and employee attitude is mediated by employee commitment.

1 Regression 85.437 4 21.359 28.589	Sig.				
	$.000^{b}$				
Residual 183.047 245 .747					
Total 268.484 249					
a. Dependent Variable: Employee commitment					
b. Predictors: (Constant), Employee attitude					

**H06:** Employee commitment has a positive effect on organization performance.

For the test of hypothesis of employee commitment impact on performance of organization, this research performs a Chi-square ( $X^2$ ) test on the variables to check for the association between selected variables, and the effect size describes how strongly they are associated with each other for that the Phi and Cramer's V inputted.

The two questions from the survey questions are displayed in a cross tabular format, which is used to analyse the null hypothesis that employee commitment has significant effect on organizational performance in companies in Yemen.

Pearson Chi-Square72.404Likelihood Ratio36.713	
Likelihood Ratio 36.713	10 000
	.002
N of Valid Cases 250	
a. 14 cells (56.0%) have expected coun	nt less than 5. The minimum expected count

Table 10: Chi-square Test **H06**: Organization performance is mediated by employee commitment.

## Table 11: Symmetric Measures

Symmetric Measures			
		Value	Approximate
			Significance
Nominal by Nominal	Phi	.538	.000
-	Cramer's V	.269	.000
N of Valid Cases		250	

The data represented in the cross tabular form above reveals the Chi-square tests results based on Pearson Chi-square. From the results a P-value of 0.000 asymptotic significance is obtained, which is an acceptable result from the alpha value determined above and with a Chi-square  $X^2 = 72.404^a$ , and degree of freedom (df) = 16.

Over 202 respondents agreed (for strongly agreed and agreed) to both questions, which states that majority of the respondents affirms that increased commitment to perform at job roles determines organizational and employee performs. Meanwhile, 28 respondents stand at a neutral position and 20 respondents disagree to the claims.

Therefore, the null hypothesis value that there is significant relationship between human capital and organizational performance in companies in Yemen is accepted.

## **D.** Results Summary

The sole purpose of this research is to better understand the idea of intangible human capital and its impact on economic growth in diverse private organizations in Yemen. The first goal of this study was to discover the link between human capital and organizational performance in Yemen. Figure 1 in the data shows that 52.4 percent of respondents considered that the current workforce in their organization was sufficiently trained to carry out their tasks. According to Ployhart et al. (2014), a well-trained person with capabilities for a certain skill is critical to an organization's effectiveness. Sharabati and Nour (2013), who examined the connection involving human capital and university business performance, similarly support the survey results. There was a positive association between the factors evaluated in their study. Their research also revealed that knowledge and skills are the human capital that drives a company's performance.

From figure 2, 88% of the sampled population believe that earning a college degree plays a significant role in attaining promotions and growth in an organisation. According to Ployhart et al. (2014) he also stated that a properly trained working force is a significant contributor to business outcomes like customer satisfaction and improvement of organisational performance.

(Becker, 1964) stated that knowledge and abilities earned by an individual is most likely to be rewarded with promotions and higher earnings in an organisation. This however will positively impact the performance of the individual which leads to an improved organisational performance in an organisation.

It can be understood from the survey questionnaire results, that there is a considerable connection between human capital and organizational performance. The second objective of this research is to examine the extent that incentives and compensation influences organisational performance in Yemen. According to the results from the survey, figure 6 shows that 46.2% agree and 14.1% strongly agree that incentives and compensation are being provided by their organisation whenever they surpass a target. According to Gana and Bababe, (2011), incentives are the most important variables that inspire workers to exert maximal effort and work more efficiently. He also claimed that the lack of incentives and an acceptable rewards system may have a detrimental effect on the industrious performance of employees

as well as the organization's performance. He also stated that salary and incentives aid in the proper operation of an organization and the achievement of organizational goals. He emphasized that income is only one component of the compensation structure and that employees have other psychological and physical requirements to meet. Competitive compensation will help the organization attract and retain the most talented individuals, as well as drive employees to improve their performance and the organization's performance. As a result of the preceding findings, conclusions can be drawn that there is a tangible link involving incentives and remuneration and how they affect organizational performance.

Determining the extent to which training affects the performance of a company in Yemen is another objective that needs to be established. According to the results, 38% of the respondents from figure 9 agreed that their various companies provide adequate and constant training for their employees. 14.4% of the respondents also strongly agree to the importance of having constant training in their organisation.

According to Becker (1975) the importance of training the workforce of an organisation cannot be overemphasised. He stated that whether the coaching is being provided per person or company training, it is very critical and vital for companies to keep their workforce properly trained and informed on the changes in the business environment. According to Becker (1975), adequate provision of training performances a fundamental task in improving the organizational performance.

Also figure 10 describes the importance of employees with extensive training as they are being given priority to handle the pivotal tasks in the organisation. According to the results, 51.6% agree that the pivotal tasks in their organizations are being handled by people who are extensively trained. (Montana and Charnov, 2008) stated that managers and leaders should ensure that employees are extensively trained as this will yield better performance for the organisation due to the application of the knowledge that is being imparted in training sessions. However, from the final results from the survey, this study suggests that there is a relationship between training and the effects it has on organisational performance in Yemen.

The final objective in this study is to investigate the impact of an improved working atmosphere and leave on employee performance in Yemen. From the survey results, it is shown in figure 16 that 56.8% of the respondents agree that there is a good working atmosphere in their organisation. According to Tripathi (2014) the work environment includes physical setting, culture and the market condition. He stated that it is the quality of the workplace that has the most impact on the motivational level of the employees which subsequently affects their performance and that of the organisation. According to Chandrasekar (2011), the nature of the workplace atmosphere wherein employees work influences whether or not firms are successful. According to the poll results, respondents believe that their working conditions in Yemen are favourable and that they have the ability to leave.

Table 1	2: Hyp	othesis	results
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Hypothesis	Results
H01: The relationship between organisational performance and human capital is mediated by employee commitment.	Accepted
H02: The relationship between organisational performance and training and coaching is mediated by employee commitment.	Accepted
H03 The relationship between organisational performance and incentive and compensation is mediated by employee commitment.	Accepted
H04: The relationship between organisational performance and working environment is mediated by employee commitment.	Accepted
H05: The relationship between organisational performance and employee attitude is mediated by employee commitment.	Accepted
H06: Employee commitment has a positive effect on organization performance.	Accepted

# V. CONCLUSION

The findings of this research show the visible link that exists between intangible human capital and economic process. Human capital is thought to be one among the foremost crucial components in any country's economic progress. It goes without saying that each organization invests heavily on human capital to assist with technology advancements and innovation that promotes organizational growth. in line with the studied literature, human capital plays a very important role in every organization (Barney, 1991; Peteraf, 1993).

Past research has shown a positive link involving an organization's strategic human resources and its success as measured by tangible human capital. Human capital, without a matter, plays a significant position in boosting an organization's performance, competitiveness, and long-term development in today's fast-paced business climate. Previous research has indicated that organizations are gradually taking this critical issue into consideration when creating economic process goals. According to Chiavenato (2001), the actions and knowledge of employees are liable for the performance of their organisation by contributing their intelligence and abilities at the workplace. From the reviewed literature, there's a transparent understanding that investing in human capital is one in every of the most catalysts for progress within the competitive business environment. Therefore, organizations must understand the important role human capital plays not only within the enhancement of employee satisfaction and performance but also to the general organisational performance.

Human capital in Yemen is currently during a depleting state thanks to the continued violence. Two important human capital which are education and health are during a worrisome state, this may affect the performance of organizations within the coming years thanks to the shortage of adequate human capital. To enable economic process, health and education workforce is primal, the development of an economy isn't possible without good education and a healthy workforce. A balanced healthcare and education system promotes not only economic

development but also productivity and it results in generation of individual income per capita.

The primary objectives of this research were to see the relationship between organisational performance and human capital that is mediated by employee commitment., to assess the relationship between organisational performance and training and coaching that is mediated by employee commitment., to work out the extent to the relationship between organisational performance and incentive and compensation that is mediated by employee commitment, and to research the relationship between organisational performance and working environment that is mediated by employee commitment.

According to the survey results, 52.4 percent of respondents agreed that there's a robust relationship between human capital and the way it influences the success of their organization. it's believed that an organisation with tangible human capital development will remain competitive within the ever-changing business environment.

According to the research results, 46.2% of employees believe that incentives play a serious role in boosting their commitment. Hence, it's important for organizations to recognise and appreciate the efforts of their employees by providing them with adequate compensation and incentives. Successful firms must implement a lively compensation plan capable of inspiring employee productivity during a manner that encourages them to figure more and realize the organization's mission.

From the analysed data it had been also shown that 38% agree that training your organisation employees will cause an increased individual performance, hence also improving the performance of an organisation. Training is providing people with the abilities and knowledge needed to execute their jobs effectively and efficiently; without ongoing training advancement, it'd be difficult for an employee's potential to be realized. As a result, it's critical for firms to coach their staff on an everyday basis since they require high-performing personnel to fulfil their mission and targets.

Providing a conducive working environment and provision of leave absence is a vital factor of boosting employee performance. 56.8% of employees from the survey result believe that the workplace environment and also the provision of leave motivates them to be effective in effecting their responsibilities. Therefore, it's very essential that organizations provide an appropriate working environment for his or her employees and also ensure to create available the presence of leave absence in its workplace.

# VI. DISCUSSIONS

**H01:** In the results, the first hypothesis which is (H01): The relationship between organisational performance and human capital is mediated by employee commitment was tested using the regression analysis. It was discovered the null hypothesis had a significant effect of 0.26, 0.924 and 0.000 when compared statically to the dependent variable. From the achieved results, the null hypothesis was therefore recognized which signifies that human capital has a certain effect on employee commitment. The achieved results are in line with the literature reviewed in this study. Employee commitment plays a significant role in the performance of every organization, the failure of success of the employee role will strongly determine the direction of the company. Shultz (1993) also stated that human capital and employee commitment factors that lead to the productivity of every organization. In the result of the hypothesis, a strong correlation between human capital and employee commitment, hence both variables cannot be downplayed in any organization.

Results shows that employee commitment to job responsibilities is critical to the success of every organization Tende Sam (2011) as it strongly involves the systematic approach of completing given tasks and assignments and achieving expectations of an organization. The above study further concludes that employee commitment depends strongly on the skills and knowledge which the individual employee possesses to carry out their various job responsibilities.

From the tested hypothesis result, it is suggested that human capital and employee commitment affect the performance of private organizations in Yemen. It is also shown that organizations help their employees in a continuous process in order to improve their skills and knowledge required to perform their various functions in the organization. At the same time, it is shown that employees have significantly understood the importance of achieving new skills that will enable them to survive in the fierce marketplace.

H02: The second hypothesis (H02): The relationship between employee

commitment and organizational performance is facilitated by training, this was tested and therefore the results showed a major level  $0.000^{b}$  of which was but 0.05 (P value) which outlines that the null hypothesis was accepted. The analysed results in support with the hypothesis which defines training as a scientific growth of skills, knowledge and attitude that's necessary for concluding the work responsibilities by a personal. From the literature reviewed Edward (2006) stated that training may be a way of adding and improving the abilities, abilities and knowledge of an employee needed to hold out his or her job function.

Mahoney (2015) also stated that training may be a type of developing and renewing talents which enables employees to realize their given tasks, therefore training is seen as a nonstop and vital process that positively affects the worker commitment and enables them to be better in their various roles. Results shows that the research is in line with Kraiger (2009) statement, which claims that training positively impacts the staff commitment and also improves the profitability, effectiveness, performance and other results that are directly associated with training as an idea.

From the research results, employees in Yemen believe that training may be a vital element in human capital development for his or her various organizations. They believe that the expansion, skills and talents an individual possesses is important for his or her commitment towards their responsibilities and enables them to be effective in their organizations. And in step with Armstrong (2001) training is completed to boost the effectiveness of each organization. He stated that training also helps in influencing the achievement of an employee and also the whole performance of a company.

From the above analysis, it's therefore essential for each organization to adequately support its employees in undergoing rigorous training and achieving new skills within the organization because of the competitive and sophisticated nature of the business environment. These trainings will enable the workers to own better working standards and equip them with the required skills and knowledge needed to hold out their various job descriptions.

**H03**: The ANOVA test analysis on the third hypothesis (H03 Employee commitment is mediated by incentives and compensations showed that there is a true correlation involving incentives and employee commitment in companies in Yemen.

The analysis showed a P value of 0.000b. It is therefore understood that employees in private organizations in Yemen strongly believe that incentives and compensation are a major booster and influence for their individual performance. Al-Jahni (1998)) described incentives a set of motives and plans laid out for the purpose of providing emotional, psychological, and humanitarian needs for the employees of an organization by treating them properly and elimination any cause for complaints but by providing adequate rewarding system for the employees in order to improve their spirits while carrying out their job responsibilities. The analysed result is also supported by Lawzi (1995) who stated that incentives and compensation are set to satisfy the basic needs of employees by encouraging them to do their absolute best for the organization and influence their capabilities.

Analysing the result, it is believed that the employees in the different private organizations in Yemen agree that their performance is influenced by organizations setting good salary schemes, bonuses, allowances, rewards and adequate sharing of profit by the organisation.

From this finding, observations show that the more employees produce outstanding performances, the more they earn. Incentives and compensation are being provided with the aim of rising production efficiency. Improving organizational performance and it also encourages employees to behave in a certain way. Incentives and compensation are the most vital and influential factors to employees in an organization. Willingness to work when such rewards are appropriate and capable of satisfying the needs of the employees is what makes incentives a crucial aspect in every organization. According to Aldubekhi (1991), Incentives are not however sufficient unless assisted by other types of rewards. Their effects are limited in satisfying the actual needs of an employee and have a little impact. Therefore, it is vital for organizations to create different ways of incentivising their employees' asides salaries.

From the research result and analysis, there is a significant relationship between increased organizational performance and adequate incentivisation and compensation.

**H04**: Analysing the fourth hypothesis (H04): The relationship between employee attitude and overall employee commitment is mediated by working environment and paid annual leaves. It was discovered that the variable (employee

significantly commitment) is shown to be impacted positively by the variable (working environment). This was supported with a big p value of 0.000. staff privately organizations in Hence the Yemen strongly agree that a stronger working environment will significantly improve their overall attitude and (2009)the of performance. per Temessek performance an employee maybe negatively stricken by the physical working environment which include temperature, lighting, noise and office layout. of these factors can cause health discomfort among the workers which can result in decreasing employee's performances. Also, the planning of the workplace environment can ultimately affect and improve the performance of the workers. Hence, it's essential to own a conducive working environment for workers.

It was observed that the performances of employees might decrease after they negatively perceive their job security and safety as a difficulty. this change within may however result in a the attitudes of the workers and hereby cause disobeying the principles and regulations of the organization which may create a rise in mistakes at the workplace. Chandrasekar (2011) stated that a conducive working physical environment can help in reducing the absenteeism of hence improve their performance. From employees and the analysed result, it's shown that an organization's performance is extremely hooked in to providing a pleasing and conducive working environment for the workers to enable them consider their individual responsibilities and become more productive in their roles.

**H05**: Analysing the fifth hypothesis (H05): The Relationship between employee commitment and organizations performance is mediated by employee attitude. The ANOVA test showed a ssubstantial level of 0.000 which indicated that employee attitude has a significant effect on their commitment to work and perform their various tasks. From the analysed results, it is believed that employees' job performance can be determined by the level of their commitment and the satisfaction levels towards their individual roles and responsibilities. According to the employees in the various private organizations in Yemen that were sampled, it was observed that they will remain committed towards their responsibilities if the organization supports them. According to Armstrong (2001) in every organization an employee tends to be seen with a positive attitude when they are satisfied and happy with the organization. The attitude of an employee is a negative or positive feeling of readiness to carry out his or her responsibility. A positive feeling depicts the satisfaction of an employee and his readiness to perform his responsibilities enthusiastically. While negative attitudes depict unfulfillment and dissatisfaction that leads to insubordination, absenteeism, lateness and poor performance. It was described by Onzima (2011) that attitudes create a mental state that highly affects how employees view their work environment. It has an impact on how they judge their environment and how they carry out their work, therefore it is very important for organizations to always influence their workers in having a positive attitude towards their responsibilities.

From the result, the relationship involving employee attitude and organizational performance is very fundamental in every organization. The relationship between these two variables is vital in maintaining the efficiency of the organization. According to Sarri, (2000) it is very important for organizations to have a daily evaluation of their employees' attitudes as this is very essential towards improving the organizational performance.

**H06:** The final hypothesis was to analyse (H06): Employee commitment has a positive effect on organization performance. From the achieved results, the employee commitment factor had a substantial effect on the performance of companies in Yemen. With this achieved results, it is clearly understood that the population sampled for this research strongly believe that employee commitment is a vital factor in achieving top organizational performance and they also believe that employees with low level of commitment will perform their responsibilities poorly. From the literature reviewed Khan, (2010) researched the impact of employee commitment on organizational performance and the results revealed that there is a positive connection involving both variables. Commitment is a state in which employees become bound by his or her actions to carry out his or her activities effectively. Salancik (1977) supports the hypothesis that commitment can be increased and utilized in order to achieve organizational goals and objectives. He also stated that commitment can be measured by checking the levels to which organizations are achieving their results. Conclusion can be drawn from this research that the respondents sampled for the survey believe that commitment is an ability and positive attitude needed to carry out individual tasks and responsibilities. It is also shown that organizations need to make commitment a central task to motivate the behaviour and attitudes of their employees towards achieving their goals and objectives. Therefore, employee commitment goes hand in hand as the performance of every organization is strongly influenced by commitment of the employees who are responsible for achieving the set-out goals for the organization.

## 7. A. Limitation of study

There were a number of limitations faced by the student in conducting this research paper. The limitation encountered during the process is important to note as it hugely influences the overall result of this study. One of the problems faced during the study was the lack of available literature review. This was as a result of the lack of the topic being understudied by scholars and other educational practitioners. Hence, there were not enough resources to be explored in conducting this research.

Another problem faced during the study was that a limited number of participants were willing to participate in the research survey due to the time frame of the survey and also the busy schedule of the participants.

The third problem faced during the study was the scope of discussion. Due to the lack of experience in carrying out research. Due to the fact that researcher do not have extensive years in undertaking academic papers of such large quantities, the scope and depth of the paper is compromised on so many levels as compared to the research works carried out by experienced academicians.

## 8. B. Recommendation

- 1. Human capital is a critical aspect for every organization that wishes to remain competitive in the economic world. As a result, firms must place a high importance on investing in human capital development.
- Supporting employees with concrete compensation and incentives is a major booster in achieving maximum organisational productivity. Hence, in order to increase performance incentives should be provided to employees to persuade

them into doing their absolute best.

- 3. The necessity of ongoing employee training cannot be overstated. As a result, if companies and managers wish to thrive in the harsh business environment, they must ensure that their personnel are appropriately prepared to carry out their jobs.
- 4. Provision of suitable working environment is a very vital part of every organisation. It enables the employees to feel comfortable in carrying out their jobs. Hence, it is important to make sure organizations provide a conducive working environment that will enable employees to thrive. The provision of leave absence is also very important to ensure that employees do not burnout from their work.

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### **APPENDIXES**

### **APPENDIX 1**

### **Cover Letter**

Istanbul Aydin University

Istanbul, Turkey.

Dear Respondents:

- I am a student of Istanbul Aydin University, working on my dissertation on Impact of Intangible Human Capital On Economic Growth. I am seeking your opinions and assessments concerning the impact of employee development to organisational growth. I hope that you will give us a few moments to contribute to my thesis. I will be very thankful for you for contributing some time and effort when you are answering the questionnaires.
- This questionnaire is for academic research purposes only. The survey will assist in getting first-hand information the impact of intangible human capital development on economic growth: research on private companies in Yemen.
- Your response will be kindly appreciated and all information provided will be confidential and used anonymously.

Thanks for your anticipated cooperation.

Yours faithfully,

### AHMED ABDULLAH AHMED ALHADHA

# **APPENDIX 2**

# Questionnaire

# Part-A: Biodata

Variables	Categories	Please put a tick (D) mark
General Questions	•	
First Section: Please tick (v	b) in front of the appropriate a	inswer:
1. Academic achievement	Guideline and below	
	Diploma	
	Bachelor's	
	Postgraduate Studies	
2. Gender	Female	
	Male	
3. Department in the	Marketing	
company.	Human resources	
	Administration	
	Accounting	
3. The number of years of	Less than three years	
experience.	From 3 to 6 years old	
	From 7 to 10 years old	
	More than 10 years	

# Part-B: In-depth Interview

Human Capital	Strongly Disagree	- 1	Disagree	Neutral	Agree		Strongly Agree
Are current working force in private organization well trained?	1	2		3	4	5	
Individuals with college degrees have better chances of growth in private firms?	1	2		3	4	5	
Are skilled graduates in high demand in private organizations?	1	2		3	4	5	

Incentives & Compensation	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Employees who undertake additional training are	1	2	2	4	E
compensated for their effort.	1	2	3	4	2
There is room for paid educational leave and					
development courses.	1	2	3	4	5
Company provide compensation for employees					
that surpass task target.	1	2	3	4	5
There are incentives to outstanding project performance for employees.	1	2	3	4	5
Company gives employee good compensation packages upon retirement.	1	2	3	4	5

Training & Coaching		Strongly Disagree		Disagree		Neutral		Agree	Agree
Companies provide constant training for employees.	1		2		3		4		5
Employees with extensive training are giving priority to handle pivotal tasks.	1		2		3		4		5
Reasonably, employees have access to development and training funds.	1		2		3		4		5
Employees are eager and curious to engage in skills acquisition and educational training.	1		2		3		4		5
Company offer employees mentoring and coaching guides.	1		2		3		4		5

Working Environment	Disagico	Strongly	Disagree		Neutral	TAGICC	Δoree	Strongly Agree
There is room for good interactions and rapport between employees in lower level, middle management and managers.	1		2	3		4	5	;
Employees engage positively and there is harmony among them.	1		2	3		4	5	5
Employees experience good quality work life.	1		2	3		4	5	
Employee's wellbeing are taking into priority.	1		2	3		4	5	

Employee Attitude		Strongly Disagree		Disagree		Neutral	1 ISICC	1 mag	Strongly Agree
Employees have positive attitude towards work	1		2		3		4	5	
Employee attitude determines their performance in workshops and trainings.	1		2		3		4	5	
Companies do not engage in random and excessive lay off of staff.	1		2		3		4	5	
Company provides job security and health insurance schemes for employees.	1		2		3		4	5	

Employee Commitment	( ,	Strongly Disagree	Disagree	Neutral	Agree		Strongly Agree
There is increased employee commitment to perform at job roles.	1	2		3	4	5	
Improvement in individual performance is appraised by organizations.	1	2		3	4	5	
Most companies receive good ratings from retired employees those who switched jobs.	1	2		3	4	5	
Employees received promotions based on commitment and performance.	1	2		3	4	5	

Organizational Performance		Strongly Disagree	Claugace	Dicarree	Neutral	Agree		Strongly Agree
Organization performance depends on the	1		2		3	4	5	
commitment and performance of employees.								
Employee job satisfaction aids to achieve	1		2		3	4	5	
organizational goals.								
Organizational decisions are made with employees'	1		2		3	4	5	
welfare in mind.								
Organizational performance is improved as	1		2		3	4	5	
employees are motivated to work daily.								

### Ethics Committee Approval

Evrak Tarih ve Sayısı: 20.06.2022-54033



T.C. İSTANBUL AYDIN ÜNİVERSİTESİ REKTÖRLÜĞÜ Lisansüstü Eğitim Enstitüsü Müdürlüğü

Sayı : E-88083623-020-54033 Konu : Etik Onayı Hk. 20.06.2022

Sayın AHMED ABDULLAH AHMED AL-HADHA

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> Dr.Öğr.Üyesi Alper FİDAN Müdür Yardımcısı

Bu belge, güvenli elektronik imza ile imzalanmıştır.

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## REUSME

MBA Istanbul Aydin University -- Deputy Managing Director at Alhadha Trade and Agencies Est.

Sana'a,Yemen

Summary

Experienced of top management skills with a demonstrated history of working in the import and export industry.

Skilled in Negotiation, forecasting, strategic planning skills, enhance knowledge of increasing competitive advantages of the field, managing inventory with great skills of sales, Gas, Petroleum, Budgeting skills.

Working with passion comes from self-culture skilled motivation.

### Experience

AL-HADHA TRADE & AGENCIES EST.

Deputy Managing Director

April 2018 - Present (4 years 9 months)

- Centralized managing the company employees in all terms of sectors Forecasting
  - Manage Inventory
- Manage all expenses in the company plus internal editing
- Corresponding with all company importing manufactories in agriculture sector and power sector.
- Finding new sources for the company such as new industries
- Setting salaries and wages plus incentives
- Issuing orders to employees in tasks and following all tasks till it is been done

- Manage exports of company mango farm.
- Sets and implement strategic plan.
- Manage order and shipments in all steps until reach to warehouse.
- Manage the sales and setting prices of the products plus promotions and visits to sites.

### AL-HADHA TRADE & AGENCIES EST.

Director of Energy and Tenders

April 2017 - April 2018 (1 year 1 month)

- Managing solar Tenders in terms of technical and finance.
- Solve stock problems of solar.
- Prepare and arrange the optimal data of solar pump system for customers.
- Participating in tenders of solar energy.
- Execute solar pump system project.

### HOPE INVESTEMENT SANAYI VE TICART LIMITED

### Deputy Manager

January 2016 - April 2017 (1 year 4 months) Avcılar, Istanbul, Turkey

- Gaining new corporations with exporting companies in different specialists.
- Participated on decision making in strategy planning.
- Doing all the correspondence that belong to this branch and to the mother company in Yemen.
- Attending several trade show in Turkey and coming up with new several industries contacts.
- Coordinating between our branch in Cameroon and our branch in Turkey.
- Issuing Performa invoices.
- Setting and editing agency contracts

### AL-HADHA TRADE & AGENCIES EST.

### Assistant Commercial Manager

January 2009 - September 2011 (2 years 9 months) YEMEN SANAA

- Strategic Consulting, including business plan & sales strategy development.
- Advising new businesses on formation of corporations and business structures, drafting privacy policies and structuring commercial transactions

### Education

İstanbul Aydin University

Master of Business Administration - MBA, Business Administration and Management, General · (2019 - 2022)

International University of Technology Twintech - Yemen

- Oil and Gas Management, International Business · (2012 2016)
- Cavendish College London
- Marketing diploma, Business Administration and Management, General · (2007 2008)
- Staffordshire University
- Foundation in Management, Topology and Foundations · (2007 2007) Languages

Arabic (Native or Bilingual) Turkish (Elementary) English (Full Professional)

### **Top Skills**

Price Setting - Pricing Strategy - Price Quotes - Forecasting - inventory