The Impact of Organizational Investments on Human Capital Creation: An Empirical Study

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The First International Conference on Interdisciplinary Research and Development, (31 May - 1 June 2011), Thailand

Abstract:
Knowledge, experience, and way of accomplishing challenging tasks of employees enable organizations to provide customers more value in terms of quality and low cost. Consequently, they sustain competitive advantage by further developing highly valuable and unique employees or human capital. This paper aims to analyze the extent at which human resource management (HRM) factors, knowledge management system (KMS) factors, and leadership factors creating human capital within a firm. In this direction, data were collected from 468 Indian manufacturing employees to analyze the impact of these factors on human capital creation. In this interdisciplinary study, human capital creation is examined by the extent at which employees perceive the benefits from their human capital. The hierarchical regression analysis results show that all the aspects of HRM, KMS, and leadership have significant relationship with human capital creation in Indian manufacturing companies.

Keywords: - human capital creation; Human resource management; knowledge management, leadership