

THE RELATIONSHIP BETWEEN HUMAN CAPITAL DEVELOPMENT AND ORGANIZATIONAL PERFORMANCE IN THE TELECOMMUNICATION INDUSTRIES IN YEMEN

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Abstract

This study's main objective is to examine the relationship between human capital development and organizational performance telecommunication companies in Yemen. The study has conducted among employees working in telecommunication companies in Yemen. The data was collected using the research questionnaire that has distributed to 518 employees working in telecommunication companies in Yemen. The systematic Sampling design was used for 217 as sample size and analysis has conducted through using the IBM SPSS software version 20. The results revealed that coaching, training and self-learning have significant effects on organizational performance. In the same vein, results showed that mentoring has a negative impact on organizational performance. The contribution of this research includes providing a theoretical explanation for the relationship between human capital and its associated outcomes. Based on research findings, theoretical and practical implications have discussed. Limitations and recommendations for future research have also highlighted.

Keyword: Coaching, Mentoring, Self-Learning, Training, organizational Performance

1. INTRODUCTION

As pointed out Kozlova, O., & Neklyudova, N. (2020), Human Capital Development describes the process of "job enrichment that has an intrinsic mechanism to motivate an employee to accept and play challenging

organizational tasks." Others have generally referred to as involving activities that aid an employee in performing his/her tasks with ease and expediently. On the other hand, performance tends to reflect "how well a group performs its required tasks to satisfy its customers inside and outside the organization, which suggests the effectiveness and efficiency of the employees" (Dom, F. R. M., & Ahmad, A. M., 2020).

Recent literature has contrasted Human Development, described as the ultimate goal of the development process, with organization performance, described as a means toward enhanced human development. This debate has broadened the definitions and purposes of development but still needs to define the critical interrelations between human capital development and organizational performance. Human capital development will have a significant effect on organization performance to the extent that greater freedom and capabilities improve performance. Similarly, to the extent that increased incomes will increase the range of choices and skills enjoyed by households and governments, economic growth will enhance human capital development.

Evidence provided by the human capital theory suggests that "training and education raise the productivity of workers by imparting useful knowledge and skills, hence raising workers' future income by increasing their lifetime earnings" (Shuibin, G., Benjamin, T., & Naam, Y. D., 2020). Human Capital Development is also seen to be playing the unique role of incorporating the interests of the organization and the workforce. This subsequently enhances the achievement of organizational goals (Swapna, S., & Kumar, V. A., 2020).

Therefore, it is imperative to achieve organizational goals, and there is a need for an effective, proficient, and adept human in every outfit. According to Alfandi, A. M (2020), the level of productivity that pertains in any organization depends on the employees who are the backbone of the organization. He further states that these employees or persons in an organization determine all activities and argue that equipment and machines cannot put to productive use except for the human effort and direction.

1.1. Research Questions

The research questions crafted for this thesis are as follows:

1. Is there a relationship between coaching and organizational performance?
2. Is there a relationship between training and organizational performance?
3. Is there a relationship between mentoring and organizational performance?
4. Is there a relationship between self –learning and organizational performance?

1.2. Research Objectives

The specific objectives of the research are as follow:

1. To explore the relationship between coaching and organizational performance
2. To explore the relationship between training and organizational performance
3. To explore the relationship between mentoring and organizational performance
4. To explore the relationship between self –learning and organizational performance

1.3. Hypothesis

H1: There is a statistically significant relationship between training and organizational performance.

H2: There is a statistically significant relationship between coaching and organizational performance.

H3: There is a statistically significant relationship between Mentoring and organizational performance.

H4: There is a statistically significant relationship between Self- learning and organizational performance.

2. LITERATURE REVIEW

2.1. Human Capital Development System

Armstrong, 2006 defines an HCD system to comprise four focal branches (Individuals, Dyads (employee-boss), Team, and Organization) and four agents of HCD (Employee, Immediate boss, HR department, and Organizations). According to him, the fundamental purpose of the HCD system is to enhance resource capability as the human capital of an organization is seen as a significant source of competitive advantage. Therefore, it is necessary to ensure that the right quality people are available to meet present and future needs. This is achieved by producing a coherent and comprehensive framework for developing people. Furthermore, Costa, R. V., & Santos, A (2020) have mentioned the specific purpose of HCD to create intellectual capital. They promote the organizational, team and individual learning by creating a learning culture – an environment in which employees are encouraged to learn and develop and in which knowledge is managed systematically (Swapna, S., & Kumar, V. A., 2020).

2.2. Components of Human Capital Development

The components of HCD have been discussed thoroughly in the literature. Generally, human capital development takes the form of self-directed learning, coaching and mentoring techniques. This section presents and discusses the various components of human capital development.

2.2.1. Self-Directed Learning

Harris, 2009 asserts that on the records of the individuals' achievement that reviews what they learn to achieve their goals as well as new learning requirements should be considered. The self-paced learning programs encourage them to decide the rate at which they are to measure their progress.

He further asserts that "it can be based on a process of recording achievement and action planning that involves individuals reviewing what they have learnt, what they have achieved, what their goals are, how they are going to achieve those goals and what new learning

they need to acquire." The learning program can be 'self-paced' in the sense that learners can decide for themselves up to a point the rate at which they work and are encouraged to measure their progress and adjust the program accordingly (Harris, 2009).

2.2.2. Coaching

Haslinda and Abdullah (2009) define coaching as "the art of facilitating the enhanced performance, learning and development of others.' It takes the form of a personal (usually one-to-one) on-the-job approach to helping people develop their skills and levels of competence". According to Hirsh and Carter (2002), "coaching is aimed at the rapid improvement of skills, behavior and performance, usually for the present job". This puts a structured and purposeful dialogue at the heart of coaching. The coach uses feedback and brings an objective perspective.

Coaching becomes most effective when the coach understands that his or her role is to help people to learn and individuals are motivated to learn. Employees should be aware that their present level of knowledge or skill or their behaviour needs to be improved if they are going to perform their work satisfactorily. Individuals should be guided as to what to learn and also be given feedback on their performance Haslinda and Abdullah (2009).

2.2.3. Mentoring

Mentoring is the process of making use of unique and trained personnel to guide, advice and give continuing support to assist individuals who are made to learn and develop their expertise. DeForge et al, (2019) defines mentoring as a help form one person to another through the sharing of knowledge, work or ideas. Al-Dubai, M. M., & Gopalan ; Ghosh, R et al , (2019) see mentors as individuals or leaders who prepare others for optimum future performance and groom them to advance in their carriers. From the above considerations, mentoring differs from coaching as the former is a method aimed at helping people to learn while the latter increases a person's competence.

Al Hilali et al, (2020) sees mentors as advisors in the creation of self-development and learning programmes, who guide others in the acquisition of knowledge and

skills on a new job; giving administrative and technical advice as well as solutions initial problems in career advancement; projecting corporate culture and shaping values and behavior in the organization.

2.2.4. Training

Training is the use of systematic and planned instruction activities to promote learning (Al-Dubai, M. M et al, 2019). The approach can be summarized in the phrase 'learner-based training'. It involves the use of formal processes to impart knowledge and help people to acquire the skills necessary for them to perform their jobs satisfactorily. It is described as one of several responses an organization can undertake to promote learning.

As Tews, M. J., & Noe, R. A (2019) points out, training has a complementary role to play in accelerating learning: 'It should be reserved for situations that justify a more directed, expert-led approach rather than viewing it as a comprehensive and all-pervasive people development solution.' He also commented that the conventional training model has a tendency to 'emphasize subject specific knowledge, rather than trying to build core learning abilities'.

2.3. Organizational Performance

Human capital differences for example, in experience, skill and education, are signs that are visible to the employer and when made use of could result in higher productivity and performance in an organization .An employee who possesses such qualities usually has a higher wage and job mobility .Explanations of human capital could help predict the future of an organization both at top management and upper levels (Al-Dubai, M. M et al, 2019). At the upper levels of human capital an organization can gain a lot of advantages such as better performance and higher success in entrepreneurial ventures.

2.3.1. Conceptual framework

As can be seen in figure 1.1, the independent variables present consequently beginning with self-learning, coaching, mentoring and training, while organizational performance represents the dependent variable.

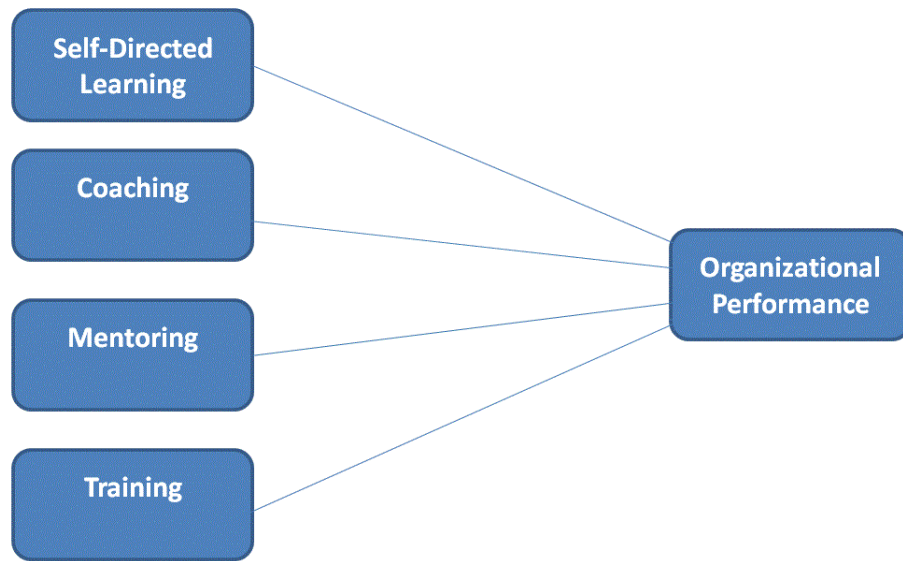


Figure 1.1: Conceptual framework

3. RESEARCH METHODOLOGY

In this study, surveys approach a quantitative data collection method and have been utilized to collect data on human capital development and organizational performance in the telecommunication industries in Yemen. The survey methods that were designed more straight with the thoughts, emotions and opinions of participants especially when collecting the information regarding attitudes and beliefs, in addition, the survey method presents extra accurate means of evaluating expertise about the sample and helps the researcher to draw conclusions to generalize the findings from a sample to the population. Furthermore, the survey method is considered to be rapid, economic, efficient, and may effortlessly be administered on a large sample. In this study the researcher chose a random sample by which 217 respondents were systematically identified from the four companies in Yemen.

3.1. Results

A total of 217 respondents were used for analysis and the sample consisted of twenty-six 26 (11.9%) of the respondent's falls within the age range of 18 to 24years,

seventy 70 (23.2%) of the respondents fell within the age range of 25 to 34years; respondents within the age range of 36 to 45years also has seventy-four 74 (34.1%) of the age group; and lastly forty-seven 47 (21.6%) of the respondents were 46 years or/and above. However, 167 (76.9%) of the respondents were Male and fifty 50 (23.1%) of the Female. In addition, the majority of the respondents' have bachelor degree 103 (47.4%) followed by those who have master degree and doctorate degree 79 (36.4) and 19 (8.7%) respectively. The smallest number of respondents were having Diploma degree 16 (7.3%).

Furthermore, 52 (23.9%) of the respondents majoring in engineering while 42 (19.3%) of the respondents their major was business followed by those majoring in IT, applied science and others 31(14.2%), 19 (8.7%), 8 (3.6%) respectively.

Multiple Regressions

For simple regression, there are only two variables; one variable is defined as independent or mediating variable which is the root cause of the behaviour of the one other variable which is the dependent variable (Kothari, 2004). Simple/Linear Regression Analysis is a measure of linear association that directly investigates relationships between a constant dependent variable and an

independent or mediating variable that is usually continuous.

The model summary in the table below shows the proportion or the percentage of the variation in the dependent variable which can be attributed to the

independent variable(s). Additional description is. The R Square value $R^2 = .874$ which indicates that the model explains 83.4% the variability of the response data around its mean.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.807 ^a	.652	.645	.41933

a. Predictors: (Constant), Self-learning, Coaching, Training, Mentoring

The Multiple R tables above shows a substantial correlation of $R = .807^a$; $R^2 = .652$ (65.2%); $F(4, 216) = 99.154$; $P < .05$ between the four predictor variables and the dependent variables which is organization performance. The R-square value determines the portion of the variance estimated for by the independent variables which are approximately 65.2% of the variance in the dependent variable (organization performance) is accounted for by coaching, training,

mentoring, and self-learning. This value points out those four variables explained organization performance by 65.2%. The other 34.8% might be explained by another variable(s).

The F change the model summary also shows the value of 99.154 and with this; it shows that all the independent variables are significantly correlated organization performance with coefficient alpha $< .05$.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	69.740	4	17.435	99.154	.000 ^b
	Residual	37.278	212	.176		
	Total	107.017	216			

a. Dependent Variable: organization performance

b. Predictors: (Constant), Self-learning, Coaching, Training, Mentoring

Beta coefficients are the estimated value that results from a multiple regression equation carried out on independent variables that have been standardized and has variances lesser than 1. It indicates which independent variable is having greater effect on the dependent variable.

The table below indicated that Coaching variable has strong distinctive contribution to the dependent variable (organization performance) with Beta value of $(\beta = .293)$ $p < .05$. Hence, H1: There is a statistically significant relationship between coaching and organizational performance is accepted.

Plus, training has lesser contribution to the dependent variable (organization performance) of $(\beta = .274)$ $p < .05$. Hence, H2: There is a statistically significant relationship between training and organizational performance is accepted.

Furthermore, mentoring has least contribution to the dependent variable (organization performance) of $(\beta = .078)$ $p > .05$. Therefore, H3: There is a statistically significant relationship between Mentoring and organizational performance is rejected.

In addition, self-learning has the greatest contribution to the dependent variable (organization performance) of $(\beta = .561)$ $p < .05$. Thus, H4: There is a statistically

significant relationship between Self-learning and organizational performance is accepted.

4. CONCLUSION

In this study, the researcher discussed the findings based on the research questions and objectives; this research provides evidence that, the human capital development and organizational can play an important role on organizational performance. Additionally, in this study, the researcher discuss the Implications for this study, limitations of the study, and provide recommendations for the future studies in the same filed with this study in order to be clear and aware on the factors that can play an important role toward the organizations performance in telecommunication companies in Yemen.

5. RECOMMENDATIONS FOR FURTHER RESEARCH

This study used a quantitative method for collecting the data and could not collect qualitative data due to the conflict between the political parties and the civil war, which prevented this study from conducting the necessary interviews with the relevant individuals. Thus, future studies could consider employing qualitative methodology to gather qualitative information on organizational performance. The researcher suggests that with the applications of observation or by interview, the human capital development factors such as training, coaching, self-training and mentoring can be easily evaluated. This study emphasised the importance of self-learning mentoring, and commitment for effective coaching and organizational performance. Future researcher could investigate the effect of COVID 19 as moderator or mediator on the relationship between capital development and organizational performance Future researchers' also recommended investigating Artificial intelligence or Human resource information system as a moderator variable on the relationship between Human resource management practices and employee performance in different sectors.

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