

ELEMENTS OF SCIENTIFIC CHALLENGE IN THE HUMAN CAPITAL MANAGEMENT

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Abstract: *The present study aims to present some elements of scientific challenge in the human capital management, with an accent on shaping, as a contributor of knowledge and motivation, insisting on the role and position of the governments in the improvement of the creation and use of the human capital process. In the second part of the study, we consider the elements and the functions of the human capital, following the process from the theory to the concept, the individual and the company human capital and the human capital as a superior form of the complex capital. In the final part, we approach the issues of importance of the human capital management in the process of improving the performance.*

Keywords: scientific challenge, human capital management, knowledge, human capital foundation, human capital functions.

JEL classification: D₈₃, O₃₃.

1. Foundation, as a means of knowledge and motivation

During the last decades, according to some economic-managerial valuable approaches, knowledge has gained in dimension and value, in the same way as the production factors, land and material capital, have lost in importance (Bootle, R., 2004, p. 158). Specialists have recorded that the need for knowledge carriers, high qualified performance carriers in companies, has continuously increased: around the year 1900, only 17% of all the working places could be occupied by qualified people, today, there are over 60%. It is also mentioned that, after a phase of using the competitive advantages, which are based on technology and are oriented towards production, the factor of creating value, called human capital, is

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coming back in the firms' and society's conscience. The modern theory of economic growth teaches us that in high developed countries, the human capital production factor is decisive for growth. In this context, there takes place a recognition of the human capital importance and management, as a key to much innovation and flexibility.

An essential premise for the human capital is represented by training (Bergheim, S., 2005, p. 89), which determines the proper knowledge and motivations. The quality of training represents for economy, for the investing companies, one of the most important factors in the competitive environment.

Despite all that, as it results from a study of the Economic Development and Cooperation Organization, the exact state of affairs is concerning in some countries. The example of Germany is given, where the state of training the Germans stagnates¹. As we see in the report, Germany has wasted the growing potential of those going to study, and one can notice the phenomenon of aging of the society. The share of graduates with a qualification certificate for higher education in Germany is at only 35%, while the average in OECD rises to 53%, and in countries like Sweden, Finland and Poland is over 70%. The low rate of people with a high school degree would limit – on a long term – the economic growth, we learn from the report we quoted before.

If, regarding the competitive capacity of a country, it is decided, as Tony Blair said, a „race of knowledge”, then the training investments should be made in a sufficiently high proportion. The countries with low materials can keep their place as an important exporter, only by „investing in brains”, a necessary conclusion, stated by Joachim Starbott. Joining their opinions to this conclusion, Ederer, Schuller and Willms add that the human capital expansions, the human capital productivity growth and an improved exploitation of it on the labour market in numerous countries are urgent and necessary. They draw our attention too the fact that a bigger part of the human capital is no longer mobilised on the labour market, due to retirement, motherhood, or other reasons, also important, and this growing deficit can be reduced in the future only through training investments (Ederer, P., Schuller, Ph., Willms, S., 2004, p. 179 – 192).

¹ The rapport OECD „Training in a minute”, presented at the begining of september 2005. In: *Berlin, comp. FTD*, on-line edition, 13.09.2005

In many companies, the negative evolution we have presented above is at the present time worsening by the orientation towards savings and lack of investments in forming, training and improving. Training and improving are further being cast out in the European companies. An exception: Holland or the Scandinavian countries, where the positive aspects are being less correctly described (Nestler, K., Kaillis, E., 2003). Moreover, only 36% of the employees have the chance of improving in business. From this point of view, Germany is one of the „red lamps” of Europe (Herding, K., Stumpthaus, B., 2003, p. 55).

We extract a major learning: in order to have qualified efficient contributors, the companies themselves must invest in human capital. They are not allowed to count on the training offered by the state institutions, passing out the responsibility of training. If they want that in the future, they can serve the resources on the labour market; companies are the most important training and developing institutions of the future young workers. The experienced contributors intermediate the decisive experiences and the necessary knowledge towards the less experimented ones, by offering them the necessary knowledge for solving and overcoming the challenges in a certain company.

In this significant effort, the managers will consider a truth which is being emphasized not only by the theory but also by the managerial practice, that there is a close connection between the quality of the training stage and the performance capacity and productivity of a company. Only through a well trained human capital, there can be reached the company structural transformation. Today, they already count among the losers of the present globalization process, not only isolated branches, but also workers groups, like the low qualified workers, because they are competing, beyond the goods trade and the competition around the human capital, indirectly or directly with the workers from the raising countries in Asia, Southern and Eastern Europe. The high quality work is being affected is a low proportion, because itself represent a capital. We speak here of the human capital, which can be obtained through speciality training.

It is obvious the demand-conclusion: who wants to generate high performances needs high qualified working force. This is valid not only for the companies’ management, but also for the top management, and for all the employers of a company.

2. The objective process of training human capital

Training human capital is an objective and a necessary process for the improvement of the working standards, but it is not sufficient. The education does not take place in isolation from society, politics and economy, which either improve or diminish the rewards and opportunities for education.

The participation of the working force in creating the economic policy, can contribute to the improvement of this policy in order to sustain the forming of the human capital: (1) in the first place, it is taken into consideration the fact that workers are possible advocates of the long term policies developments, in order to emphasize the competition through the quality and productivity growth, but not the path of reducing the salaries or other direct costs. The long term competition demands high attention in forming the human capital at every level – individuals, family, company and society. In an opposition with science, there are being practiced short term development strategies which stop the forming of the human capital; (2) at the same time, the workers organizations can attack the markets tendencies of generating inequalities in wealth and income. The inequality stops training the human capital because it perpetuates the poverty, which can generate, low rates of human capital shaping, and it can cause the resistance of the rich to the human capital forming; (3) a way out of this situation is being represented by ensuring the workers that they are being heard at the working place, an estate that can improve a lot the common education of the workers and managers and as a consequence, it can outgrow the human capital forming and the economic performance; (4) complementarily, we have the freedom of association and the right to a collective negotiation, which emphasize the democracy as an important element of the human value. Democracy is also a significant instrumental value, able to sustain the strategies which are being sustained by the development, forcing the policy leaders to adopt measures for fighting starvation and other catastrophes. The democratic institutions represent important learning factors. A fundamental demand for democracy is including an independent voice of workers in the making politic and economic decisions process, in order to improve these processes.

The human capital, in its essence, is partially the result of biologic development. In a higher measure, it represents the consequence of a suitable social process, according to which, the human becomes what it is at

the age of 14 – 18 years. The human capital appears initially as an offspring, growing and transforming in time in an original asset. There must be considered permanently that the notion of „human capital” is sufficiently wide, including also the energetic potential and the features, in the first place the intellectual ones and a determined reserve of information and some practical skills and possible, moral qualities. Thus the process of training human capital extends on long term. In principle, this process could or should stop only at one’s death, still, usually, the human stops much earlier being creator and holder of this capital.

In the modern society, the learning, as an intensive concentrated process, is being usually reduced to the age of 15 – 25, but it continues, as an informal process, determining the human capital capacity of self learning, an ability which is specific to humans as well as their interest amended by the society conditions.

It is known that the training of the human capital through education takes a certain number of years of school and professional training. It is also known that every year has a cost and requires an investment. The size of that investment must be equal with the plus of income which is being obtained as a consequence of the professional training. The essence of the human capital theory formulates a demand of education. The contributions to the issue of the human capital theory characterize the originality of Gary Becker’s work. Starting from here and keeping into account the nature of methods used in his research, Gary Becker could be situated on the path of Alfred Marshall. Though he never approaches practically „the theory of the general balance”, he analyses the demand and the offer, the main instrument of the economy study. In a Marshall style, he is interested more in the applied theory than in the pure theory. He treats the problems in a classical manner, paying less attention to the econometric researches. The basic idea regarding the human capital is considering the education as an investment. Approaching the labour factor as a capital, he sustains with theoretical and practical arguments that education and professional training represent a profitable investment in one of the main productive resources. In his opinion, the value of this investment depends on the educational costs and the expected gains according to the existing information. According to this opinion, Becker considers that its value depends directly on the monetary cost of education and the future expected gains, established through information. Therefore, this investment is advantageous when the up to date

net value of the costs is positive. Gary Becker concludes that the expenses with the education represent an advantageous investment.

3. The role and position of governments in the optimization of the process of training and using human capital

Using human's own intellect in order to contribute to the humanity development represents a major problem not only for the person, but also for the society, because the higher the society intellectual potential is, the more the influence of this potential manifests in all the areas of the social activity especially in the field of labour activity. If society reaches its intellectual potential growth, then the solving of most of the basic problems is significantly speeded.

The intellectual capital (is true, not the potential one, but the one used in practice) can grow the society's economic level, without which, many problems, especially the social ones, are practically impossible to solve.

Forming human intellect is a complex process which also contains the information storing process, which brings it closer to the usual learning process. Its features are important in the human capital. Only they give the possibility for two persons receiving identical information to make different decisions. The exact feature value is different according to the environment. The science of finding and obtaining information and information handling are some of humans' most important features, forming their capital. The science of developing oneself, and sometime of discovering inside one's qualities is an acquired skill. For few types of activity, especially working with people, the moral and psychological qualities are decisive, representing a very important element of the capital, necessary to each and every manager. But the process of learning develops not only a group of features tight up to the learning process, which, in a 'typed' form, ends with a student's graduation.

The governments play, no doubt, the central role in directing the training and the development of the human capital. The public budgets are in general the main sponsors, but the private expenses of the households and the companies are also important. The beneficiaries of the human capital development are the individuals, the companies and the society. Investing human capital, as a political decision with significant distribution and growing effects is being conditioned by these aspects. It requires five types

of major options (OECD, 1998, p. 92 – 95): the decision on the best investment level for the certain society and its members; the way of distributing the costs between the public budget, the households and companies/organizations, all beneficiary parts of the investment; best allocation for the rare resources (like access to higher education or preschool, access to medical care) due to the inequality of the benefits distribution; ensuring the equity regarding the benefits distribution; establishing the monitoring, measuring, evaluating and assuming procedures for the short, medium and long term results. The methods of stimulating the investments of the households and companies in the human capital consider, among others informing them over the investment benefits, tax reduction for the costs of the human capital development, recognizing the degrees obtained after courses of short period or of open learning, imposing the transparency on the labour market in such manner there will be obvious the connection between education and knowledge – on one hand – and salaries, on the other hand (OECD, 1996, p. 82 – 84).

4. The elements and functions of human capital and of its management

4.1. From theory to concept

From the need of finding a starting base for defining the elements and functions of the human capital, we imply, for practical considerations and not wanting to be exhaustive, the following logic connection: the concept of human capital is built on a simple theory: a person who is training or studying, acts like one making an investment. He defines his intentions, acts and bets that developing his own human capital on short term he will obtain long term benefits. As acting for any other project, he tries to evaluate what will come out of the money and time he has invested, in other words he concentrates on „the return of investment”. With this issue, and being convinced that he has a rational and useful position, the person, as a good investor, will ask himself some questions. A first question would be something like this: what would bring an additional year of study to the salary I could get if I got hired immediately? And the second question would sound like this: a year of initial additional training will allow me to

obtain a better initial salary, and as follows, will the initial loss be compensated through future payments?

Asking so many questions and trying to answer them he draws the correct conclusion that, when he invests time and money in his initial training, he invests in himself. He makes it with the belief of obtaining profits and increase his future gains. He thinks the same regarding the continuous training: as long as he considers his investment profitable, he will continue investing in that domain.

The correct answer requires an exhaustive study of the human capital domain, which implies important and interesting developments that demand an extended approach in different domains like: health, delinquency, immigration and, of course, economy. Based on valuable reasoning, in this final domain – the economy – we learn that this theory had the merit of establishing two fundamental principles: a first principle is referring to the fact that everything forming the immaterial wealth of a person – the knowledge potential, the competences, the know-how, the behavioural intelligence, etc. forms the capital; the second principle emphasizes a significant reality, that during the last two decades, the concept of human capital has regularly inspired the nations' economy and policy. The organization for cooperation and development has achieved a large number of reports regarding the human capital, in approaching it as an instrument of the economic and social development.

From the point of view of definitions, the Organization for economic cooperation and development presents human capital as an ensemble of individual knowledge, qualifications, competences and features, which easy personal, social and economic welfare. Under a significant aspect, they argue that: „human capital constitutes an intangible asset which influences the progress and the ability to support an activity, an innovation or a hiring degree. Engaging the four elements (knowledge, qualifications, competences and other personal qualities) can bond in different manners reporting to every person or context they are used in”.

4.2. The individual and the company's human capital under the influence of management

While staying on the definition elements ground, we notice the following essential parts: the human capital is formed like an ensemble of knowledge, skills, know-how and acquired behaviours during life in different

contexts (family, school, profession, daily life). The pillar for the entire construction is given by the fact that the human capital is unique. It is specific to every individual, a reflection of a personal history and a unique path. Passing over the factual description, we discover, in the structure and belonging field, that every person is the main actor of his own human capital evolution. Usually, during one's life, a person can make choices (to start studying, a period of apprenticeship, to train in a certain field), which can allow him to enrich his experience. Though determining, the initial training is never enough. The individual must start with it and constantly, improve his human capital in order to adapt it to the market's requirements. The price of such measures, investments, can improve his hiring level, improving his chances of professional adaptation, finding, eventually, a place in society.

Passing from the individual human capital territory to the company's one, we conceive a certain plan as a collective stake, with a significant observation we want to make at the beginning: a company's human capital does not represent the amount of the employees. People, joined in a company, develop a human capital that we can call organizational. This capital is being constituted in an operational process (which can be applied inside the team) in a value which incorporates the identity and reputation of a company, norms, behavioural norms which are joined and completed by the adhesion of the employees to the company projects.

We have sometimes encountered simplistic and superficial approaches about a company's human capital. So, the human capital is being presented as a reflex of welfare and the quality of its elements. We observe that this is not always true. As an argument we have the case of an employee, whose job was not according to his aspirations, working in an unsatisfying environment. In other words, we have a frustrated employee, who does not work at full capacity of his talent and competences. In this situation, we are entitled to consider that the company is responsible with the way they use every employee's human capital. The company that allows an employee to have an unsuitable job is endangered. That is why the enlisting, integration and use of human capital policy must be lead by managers on scientific principles, according to the company's purposes and interests. On the same approaching plan, there must be considered the organization's responsibility the way each and every employee's human capital evaluates, representing a performance key factor.

4.3. Human capital, as a superior form of the complex capital

4.3.1. The elements of the complex human capital

Keeping the sense and contents we have issued before, we must notice that the notion of “human capital” concentrates the same qualities of the notion “complex capital”: the energetic start (“natural energy”), ensuring its rational character (“human intellect”) and the working bodies (“material capital”). In fact, the person itself is already a perfect element of the complex capital, who is able to function independently, though the process of minimizing in this case is referring to the “human capital”. The human, taken separately, uses all the natural energy in a form available to everyone, manual instrument and other mechanisms.

Thus, there are all the fundamentals for analysing the human as a perfect element of the complex capital and as a perfect element of the “human capital”.

The human capital represents all the human’s capacities and it is connected to his activity. Practically, every human activity, physical or intellectual, useful or harmful to the society, can be achieved only by using one’s own capital by a human being.

Based on some connecting types (interrelations, transformation and construction or structure), we will learn a significant distinction: a human’s own complex capital is different from the animals’ complex capital, not only through a different energetic insurance, but also through a very different quality of this capital, which is manifested due to the human intellectual. As well as the animals, the humans have instinct¹, so the ability of acquiring information in time, about the past, and act upon that mechanically. More, the humans have conscience², which allow them not only to receive current information, but also to analyse it, predicting somehow future events, preparing for them or avoiding them. Not only

¹ The instinct, defined as a spontaneous behaviour, native and variable, common to all individuals of a specie, which seem to be adapted to a purpose which is not obvious to the subject.

² The conscience, as a process manner of the human psychic system, issued throughout a social activity and learning, eased by language, based on an internal and internal-external communication pattern, representing the decoded reflection of knowledge, selforganization with merging effects and selfadjustment at the level of subjective needs and the objective, essential need.

through this capacity can the human ensure the higher “rational character” of one’s own actions.

There is another differentiating growing factor for one’s own capacity: due to the human intellect¹, it suddenly increases the role of the material capital as an element of the production forces. And what this represents – a passive element of the production forces – does not reduce its importance. Still, we analyse a human representing the complex capital, who is able to produce assets without using the material capital. Even without instruments and special means of production, the humans have similar improved instruments, in the first place, their own hands which allow them executing different operations. More, a high level of developed human limbs, from the point of view of labour operations, represents an unquestionable advantage (compared to other animals). A main difference is, of course, people’s intellect. More, in this case, it is not about the different degree of owning this asset, but also of a special quality of the humans. The high level of energetic provision, and the immense material capital created by humans along several millenniums of history – all these are the result of humans using their own intellectual capital.

There can be concluded, from this, that every single man represents a ‘molecular’ form of the amount of this complex capital, owned by human kind, which gives a social aspect to life. Anyway, every human represents a bio mechanism, able to ensure his vital activity. Still, the humans try not only to obtain new assets, but also to do it with a minimum expense of time and work. Such a try is specific only to the human. Animals do not try to “raise their work productivity”.

4.3.2. The human capital and the complementary capitals

According to the argues of Dess and Picken (Dess, G.D., Picken, J.C., 1999, p. 8), the human capital is in general understood by calling all the capacities, knowledge, skills and experience a company’s employees and individual managers, doubled by the capacity of improving this knowledge and experience sum, skills and experience through individual training.

¹ Intellect, a notion used to describe the sum of the mental functions, centred round abstract and logic thinking and the capacity of operating with notions and developing knowledge activities troughout storing and analing the recieved informations.

Starting from such a definition, Wright, Dunford and Snell (Wright, P.M., Dunford, B.B., Snell, S.A., 2001, p. 701 – 704) claim the followings: the human capital is larger in purposes than in human resources; the accent on knowledge is important and that is why the literature regarding the human resources has more to say about knowledge; the debate is traditionally raised from an individual perspective, being connected to the information about the job, while the literature regarding the human capital sustains the idea that the knowledge can be distributed among groups and become institutionalized by processes and routine.

While referring to origins and perspectives, Rastogi (Rastogi, P.N., 2000, p. 193 – 203) states that the concept and perspective of the human capital arise from the fact that there is not a replacement for knowledge and learning, creativity and innovation, competences and abilities, and that these need to be continued with perseverance in a company's environmental context and logics.

We come to the conclusion that such a statement leads to a crucial point: attracting extremely talented people is not enough. Their will of investing their skills and experience in the organization must be present. In other words, people must be attached to an organization and they must involve in its activity in order to efficiently use the human capital. That is why, next to the human capital, there must also be the social and organizational (structural) capital. After some authors, these three forms of capital contribute together to shaping the concept of intellectual capital.

Next, we follow some points of view and arguments regarding the intellectual capital and its rapport to the essential aspects of the human capital.

In 1999, OECD¹ defines the human capital as being the „economic value of two categories of intangible assets of a company” – the organizational and the human capital. Wright et al. (Wright, P.M., 2001, p. 705 – 706) argue in the following manner: the intellectual capital is a factor that includes the human capital, the social capital and the organizational capital. For Nahapiet and Ghoshal (Nahapiet, J., Ghoshal, S., 1998, p. 242), the intellectual capital refers to „the knowledge capacity and the social collectivist knowledge and information, such as, an organization, a social

¹ Organisation for Economic Co-operation and Development (OECD), *Measuring and reporting intellectual capital: Experience, issues and prospects* – an International symposium, 1999.

community or a professional practice”. We notice a lack of clarity around these and the terms associated with numerous definitions, which are very different. In their work, Gratton and Ghoshal (Gratton, L., Ghoshal, S., 2003, p. 2) emphasize the followings: the intellectual capital is part of the human capital; the human capital comprises the intellectual capital and it also includes the social and the emotional capital. For many observers, for example Kaplan and Norton (Kaplan, R.S., Norton, D.P., 1992, p. 71 – 79), Sveiby (Sveiby, K.E., 1997, p. 98) the intellectual capital owns a large space and it includes the human capital as one of his key dimensions.

Trying to extract the essential from the opinions discussed above, we notice the following: the intellectual capital has “roots in people and in systems. The body of the human capital is made out of three plans, such as: human - information and knowledge capacity of human, social - valuable relations between people - and organizational - processes and routines in the company framework” (Wright, P.M., 2001, p. 716).

Thus, it is necessary that the study and representation of the development process of human capital, encounter the three complementary capitals. In order to achieve the competitive advantage, it is necessary to ensure the rational efficient integration between human, social and organizational capital.

After Nahapiet and Ghoshal (1998), “the main problem of the human capital theory is that the relation network must represent a major orientate resource for leading the social resources”. The quoted authors say that big part of this capital is grounded in the mutual knowledge networks, enlarging the activity efficiency and supporting the operational behaviour.

Under the mark of such influencing capacity, the social resources and capital send significant impulses to the intellectual and human capital development. In this sense, Garavan (2001, p. 52) argues that, at the individual level, the individuals with a better social capital – with stronger contact networks – will gain greater benefits from their human capital. Also, at the organizational level, the social capital is very important. After Nahapiet and Ghoshal (1998, p. 258), “the social capital eases the intellectual capital development by influencing the required conditions in order to produce exchanges or combinations”. In the social capital, the authors plead for the presence of three major elements: a structural dimension (connection networks, with an adequate organization), a cognitive dimension (distributed cods and languages) and a relational

dimension (trust, norms, obligations and identification). All three elements influence the development of the intellectual capital. This approach is being integrated in the dominant vision that is based on resources, with an accent on groups and resource combinations. The social capital, based on the individuals' connections, creates conditions for relations that are unique, implicit, rare and durable. According to Gratton and Ghoshal's (2003, p. 3) opinion, the social capital is based on the twin concepts of sociability and loyalty: "the depth and the richness of these relations and potential points of the mechanism build a substantial portfolio of knowledge and opportunities in order to create value".

Regarding the organizational capital, its role is to connect the organized resources in a process that creates value for clients and a sustainable competitive advantage for the company.

After Dess and Picken (1999, p. 11), in the structure of the mentioned process, there are: organising and reporting structures; operational, procedural systems, systems of processes and duties; informational and communicational infrastructures; acquisitions of resources, development and allocation systems; making decisions processes and information floods; incentives, controls and systems for measuring the performances; organizational culture, management values.

The interactions between these dimensions are important and efficient only if the employees manifest their motivation for developing and using their skills and knowledge. About the last point, the organizational culture has a significant impact on attracting and keeping, and also in generating commitments and obligations. Our study on this theme shows that over 55% of all the employees appreciate more the profound culture and values in an organization. A supporting culture with a powerful corporative purpose and convincing and attractive values is being considered an emphasized reason for a major corporate success by Peters and Waterman (Peters, T., Waterman, R., 1982), Collins and Porras (Collins, J., Porras, J., 1994), as factors of urging the corporate success. A second major influence of the human capital is being exercised by the incentives structure and the performance measuring manner, and also the way of handling the performance in general. Delaney and Huselid (Delaney, J.E., Huselid, M.A., 1996, p. 950) appreciate that, in terms of organizational structure, it presents signification and utility in the degree the qualified and motivated employees are being directly involved in determining the unfurled activity and the

manner the activity occurs. And at last, the employees' participation (Wagner, J.A., 1994, p. 312 - 330), the internal career advancing stairs (Osterman, P., 1987, p. 48 - 63) and the unfurl of the basic team activity (Levine, D., 1995), all are proven to be connected positively to the organizational performance (Delaney and Huselid, p. 952). According to Rumelt (Rumelt, R., 1984), the practices and procedures that bind the organizations can grow or negatively affect the work cooperation and the knowledge development. This is, in the last instance, the essential point of orientation based on which the organizational structures and processes act in order to achieve the organization's purpose without creating boundaries between individuals and groups.

The social capital, conceived like a reserve of the organization's human connections (trust, personal relations, communication sense) play an important role in the organizations, contributing to obtaining and maintaining its prosperity. It is so integrated in the business life that, without it, the corporate action and the productive work would not be possible. The social capital includes the social elements which contribute to owning the knowledge, the innovation and the high productivity.

The social capital is being defined by the World Bank as the "integrated norms and social relations, which allow people to coordinate the action of reaching the aimed purposes". It refers to the social organization features like networks, norms and social trust, which eases the coordination and the cooperation for a common benefit.

In his book, *Making democracy work*, Robert Putman proves, in a convincing manner, that the political, institutional and economic value of the social capital is significant, under the aspect of social efficiency and welfare.

At the same manner as the other complementary capitals, the educational capital raises definitional and operational problems. The educational capital is presented under two distinct forms: on the one hand, there are the acquired skills after participating to the formal educational systems, knowledge proved by degrees, and, on the other hand, there are the other knowledge and skills acquired during life time, through own efforts or contacts with experts in different domains, from which some knowledge is gained, after assimilating information from the interactions with them. For the educational capital proved by degrees, the problem of estimation at a personal level is not very delicate, even if there different manners of

utilisation can be discussed: measuring the school years, instruction degrees. The informal education provides reserves of educational capital which are hard to estimate.

The simple measurement of school participation is “less satisfying than the skills tested directly, but it can also be difficult to test all the significant abilities” (OECD, 1996, p. 15). A possible estimation is using an indirect measurement, like the reserve of formal educational capital of parents (expressed, by the total or average number of school years graduated by the parents). An alternative method is the one proposed by the *International Adult Literacy Survey – IALS* (described in OECD, 1998, p. 22 – 28), where the adults are being evaluated on three scales of general knowledge: the primary scale, the required knowledge and skills for finding and using the information from newspapers, fiction texts and explanatory texts; the second scale – the required knowledge and skills for finding and using the information from official forms, schedules, maps; the third scale – the required knowledge and skills for applying mathematical operations in typed materials.

5. Conclusions

Any organization can obtain outstanding results if it uses the entire potential of the human capital and its management, while stimulating the human capital training and functioning.

Our study has investigated the place and the role of the human capital and its management in creating and stimulating motivation with an accent on creating human relations, collective opinions and positive states of mind in the working groups with the purpose of encouraging them. The main rising problem is developing the human capital management and using the human capital in the general process of economic and social development.

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