

ORGANIZATIONAL PERFORMANCE AND ITS IMPACT ON HUMAN CAPITAL: INSIGHTS FROM PAKISTAN'S BANKING SECTOR

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Abstract

The multifaceted concept of human capital integrates education, experience, and skills as critical components influencing organizational success. While traditional approaches focus narrowly on the economic returns of education, broader perspectives emphasize its holistic societal value. Organizations invest in human capital through hiring, training, and development, with senior management playing a pivotal role in nurturing these assets. Organizational performance, influenced by internal and external factors, is a key indicator of effectiveness, measured through financial and non-financial metrics. Frameworks like Kaplan and Norton's balanced scorecard advocate for a multidimensional approach, including financial outcomes, customer satisfaction, internal processes, and learning and growth. Effective performance management requires feedback mechanisms and careful implementation to avoid unintended consequences, ensuring a comprehensive evaluation of success across diverse dimensions.

Keywords: Human Capital, Banking Sector, Education, Experience, Pakistan.

1. Introduction

The concept of human capital is multifaceted, with various interpretations and approaches. Economists often define it in a narrow sense, focusing on the correlation between investment in education and future earnings. Others take a broader view, considering education as a holistic concept that encompasses more than just economic returns. Critics of the traditional approach argue that education is often seen as a personal or organizational asset, rather than as a societal one. Another perspective combines education with experience, highlighting the importance of skills and knowledge acquired through different means. From a managerial standpoint, firms invest in human capital through hiring and training, aiming to enhance both general and firm-specific skills. This investment generates value through the process of learning and development, with factors such as education and age playing a critical role. Senior management is instrumental in nurturing human capital by focusing on recruitment, retention, and training initiatives. Significant contributions to this field include works by Burt (1997), Bontis et al. (2002), Tay (2017), Snell and Dean (1992), Skerlavaj and Dimovski (2006), Lepak and Snell (1999), Grootaert and Van Bastelaer (2002), and Roos et al. (1997), Youndt and Snell (2004).

According to Coleman (2000), an organization's financial results are the product of the interplay between its environment, actions, and traits. This concept is part of the broader construct of organizational effectiveness, which Strasser et al. (1981) describe as the extent to which organizations achieve their intended objectives. Organizational effectiveness is influenced by various stakeholders, with firm performance and related concepts, such as corporate environmental and social performance, being central to both practice and research. Venkatraman and Ramanujam (1986) propose a methodology for performance measurement that looks at a variety of organizational performance metrics. One dimension is financial performance, which includes total profitability. Non-financial factors like product-market and internal process results

are included in operational performance. Lewin and Minton (1986) pointed out that a thorough assessment of overall effectiveness takes into account elements such as reputation, survival, objective accomplishment, and perceived success in comparison to rivals.

Feedback plays a crucial role in fostering improvement at the individual, group, and organizational levels, as highlighted by Longstreth and Mauldin (1987). It serves as a vital communication tool for performance assessment and enables quantification, which is essential for measurement and subsequent improvement. However, managers must exercise caution when implementing performance measures, as each indicator has the potential to yield negative consequences if not applied correctly. Situational factors and potential adverse effects should be carefully considered. Kaplan and Norton (2001) advocate for a balanced scorecard approach to performance measurement, emphasizing the need for a holistic perspective. They argue that financial data alone is insufficient and propose the inclusion of non-financial metrics. Their framework consists of four perspectives: financial, customer, internal business processes, and innovation and learning. The financial perspective includes metrics such as return on capital employed, economic value added, and sales growth. The customer perspective focuses on measures of satisfaction, retention, acquisition, profitability, and market share. Internal business processes encompass measurements along the value chain, including innovation, operations, and post-sales service. The learning and growth perspective includes metrics related to employee retention, training, morale, and the availability of critical information systems. This comprehensive approach ensures a balanced evaluation of organizational performance across multiple dimensions.

2. Literature Review

Human capital, as defined by Sullivan (1989), encompasses a broad spectrum of capabilities, competencies, knowledge, abilities, and personality traits that are employed in productive labor. Building on this idea, Schultz (1961) introduced the theory of human capital, arguing that skills and knowledge function as forms of capital that can be intentionally invested in. He posited that by investing in education and training, individuals can enhance their productivity, leading to greater returns (Ali et al., 2013) Becker (1964) further elaborated on this concept, comparing human capital to physical assets like factories and machinery. Unlike land or labor, human capital is non-transferable, yet it can have a profound impact on productivity and output. Brüderl et al. (1992) expanded this theory to the entrepreneurial domain, suggesting that entrepreneurs with higher levels of both general and specific human capital tend to outperform their peers. This concept, known as "entrepreneurial human capital," highlights the importance of the skills, experience, and knowledge essential for entrepreneurial success. Hessels (2008) further emphasized that human capital in the business context pertains to the skills, experience, and knowledge associated with entrepreneurial activities, playing a critical role in fostering entrepreneurship. Ganotakis (2012) utilized the resource-based theory to emphasize the pivotal role of human capital in gaining a competitive edge for entrepreneurial ventures. In essence, human capital is crucial to both individual and organizational success, particularly within entrepreneurial environments, where it acts as a catalyst for innovation and drives growth. As articulated by Joia (2000) and Coleman (1988), human capital encompasses the experience and knowledge that employees contribute to an organization. Unlike natural resources, this form of capital can be cultivated and enhanced through education, ultimately fueling economic growth.

Researchers such as Florin and Schultze (2003) have identified different types of human capital, including industry-specific, firm-specific, and individual-specific. Firm-specific human capital refers to skills and knowledge tailored to a particular organization, granting it a competitive advantage. Industry-specific human capital pertains to expertise acquired within a specific sector, fostering innovation in businesses. Individual-specific human capital includes factors such as organizational and entrepreneurial experience, professional qualifications, and age. Ali, Bajwa & Batool, 2016)..

Dakhli and Clercq (2004) highlight the importance of relevant education, information, and training in significantly enhancing individual abilities and skills, thereby benefiting both employees and companies. Human capital, characterized by its foundation in knowledge and skills, outperforms tangible assets in providing competitive advantages and driving company performance. Romer (1990) asserts that a country's growth rate is closely linked to its stock of human capital, while Lee, Gibson, and Oxley (2005) offer empirical evidence connecting human capital development to reduced inequality and increased output growth. Oscarsson (2001) attributes part of Singapore's economic success to its national policies focused on human capital development. Stangor (2006) also underscores the positive impact of human capital on the growth of high-skilled employment in modern industries, echoing Becker's (1962) view that investment in human capital is critical for maintaining a country's development equilibrium. Caputo and Dolinsky (1998) argue that prioritizing human capital over physical capital is essential for economic growth, as it boosts productivity and fosters innovation. These perspectives underscore the vital importance of human capital in advancing both individual and national prosperity, emphasizing the need for continued investment in education, training, and skill development.

3. Theoretical Framework

3.1. Theory of Human Capital

The theory of human-capital, as Schultz (1993) posited, stems from macroeconomic development theory. Classical Economic Theory viewed labor as providers of goods or services exchangeable for monetary compensation, primarily through capital. However, contemporary perspectives diverge from this notion, emphasizing the value of human capital in terms of knowledge and skills. Becker (1993) underscored the significance of human capital from both social and economic standpoints, advocating for investment in education and training as the most valuable form of investment. Today's era prioritizes the enhancement of human knowledge and skills through education and training, departing from the historical focus on labor as mere commodities in the capital exchange.

3.2. Hypothesized Theoretical Model

The theoretical model presented in the figure outlines the grouping of hypotheses and illustrates the hypothesized relationships among various constructs. The model is organized into two sections, with causal arrows indicating the connections between these constructs. To validate these hypothesized relationships, surveys will be conducted to collect primary data. Hypotheses H1 to H3 propose a relationship between human-capital and organizational performance. Human capital, which includes dimensions such as knowledge, experience, professional proficiency, and cognitive ability, is hypothesized to have a positive impact on organizational performance indicators, including job satisfaction, life satisfaction, and career satisfaction among employees. Consequently, this set of hypotheses suggests a positive and significant relationship between

human capital as the independent variable and organizational performance as the dependent variable.

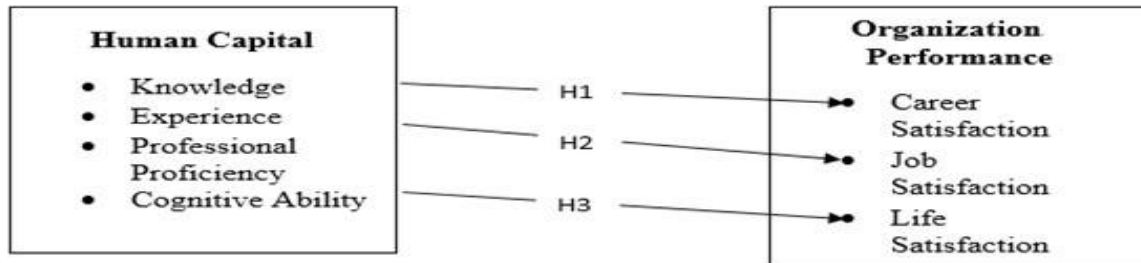


Figure 1: Human Capital and the Organization-Performance

3.3. Study Hypotheses

H(1): Organizational performance (career satisfaction) and human capital are positively and significantly correlated.

H(2): Organizational performance (work satisfaction) and human capital are significantly correlated.

H(3): Organizational performance (life happiness) is significantly impacted by human capital.

3.4. Variable Operationalization

3.4.1. Human-capital

The four constructs of human capital are as follows:

- 1). **Knowledge** that includes the organization's head's training and educational background.
- 2). **Experience**, which includes factors such as industry encounter, specialized/innovative job experience, administration/initiative experience, commercial experience, and diverse experience.
- 3). **Professional proficiency** that includes the capacity to be effective in a variety of areas, including leadership, organization, and general learning and interpersonal skills.
- 4). **Cognitive ability** takes into account characteristics such as making decisions about various organizational tactics, taking chances, spotting and seizing opportunities, avoiding dangers, and coming up with creative ideas.

3.4.2. Organization Performance

Organization The subjective performance metrics of work satisfaction, career satisfaction, and life satisfaction were used to gauge performance.

1) **Job Satisfaction** According to Locke (1976), job satisfaction may be defined as a prolonged, positive, and passionate state that arises from an analysis of one's profession or work experience. Work contentment is a result of an employee's perception of how effectively their job provides those items that are deemed essential. One of the most important aspects of a profession that people have effectively responded to is job satisfaction, which speaks to a few connected mentalities.

2) **Career Satisfaction** "Career satisfaction gauges how well people feel their professional development aligns with their personal objectives, values, and preferences." (Erdogan et al. 2004).

3) **Life Satisfaction** is a man's perception of his life, including how it has gone and how he feels about its future. It is a gauge of wealth as well as a global psychological assessment. One's life is

generally in a terrific state of mind. Instead of measuring current emotions, life satisfaction gauges how people evaluate their lives overall. It captures a perceptive evaluation of the conditions and situations in life that are essential for subjective success (Scott and Bruce 1987).

4. Methodology

4.1. Sampling Technique

The purpose of this study is to investigate how human capital affects Punjab, Pakistan's service industry. Based on Punjab's biggest cities—Bahawalpur, Multan, Lahore, Rawalpindi/Islamabad, and Faisalabad—five districts were chosen. Multistage Stratified Random sample was the sample method used. The selection of banks in Punjab's major cities was based on population size. According to a 2012 population study, the cities chosen were Lahore, Faisalabad, Rawalpindi, Islamabad, Multan, and Bahawalpur. Faysal Bank, Alfalah Bank, HBL, ABL, NBP, UBL, and Meezan Bank were among the randomly chosen institutions from a list of banks compiled from many sources. The study's respondents were limited to workers at these banks who held OGI, OGII, and OGIII ranks.

5. Analysis and Results

5.1. Descriptive Statistics

The descriptive statistics section of the study presents the outcomes of individual items under each variable, including Knowledge, Experience, Professional Proficiency, and Cognitive Ability. Each variable is depicted in a separate table, with items listed in the left column and the scale indicated at the top row. The tables also provide frequencies ('f') and percentages (%) of responses for each item, offering insight into the tendencies of individuals regarding their knowledge, experience, proficiency, and cognitive ability within the service sector of Punjab, Pakistan.

5.1.1. Variables

The following variables are employed in the current study:

Independent Variable					
Human-Capital					
Outcome Variables					
Performance of the Organization	Career-Satisfaction	Job-Satisfaction	Life-Satisfaction		

5.1.2 Determination of Multicollinearity

The current model only has one independent variable, hence this analysis is not necessary.

5.2. Reliability Analysis

The reliability of the data was assessed using Cronbach's Alpha, with values nearer one indicating higher reliability. For Human Capital, the Cronbach Alpha was 0.80, for Social Capital it was 0.85, and for Organization Performance it was 0.90. Additionally, composite reliability and dimension-wise reliability are provided below.

Table 1: Reliability Analysis

All-Variables	Dimensions	Alpha-Cronbach
Human-Capital		0.80

	Knowledge, Experience, Professional Experience and Cognitive Ability	0.90, 0.86, 0.74 and 0.70 respectively
Social-Capital		0.85
	Status, Complicity, Personal, Social - Relations, and Interlinking	0.80, 0.90, 0.80, 0.70,0.75 respectively
Organization-		0.90
	Career-Satisfaction, Life-and Job-	0.80, 0.75 and 0.90

5.3. Correlation Analysis

The correlation analysis explores the relationships among variables, indicating their strength without implying causation (Requena, 2003). The sign (positive or negative) and the magnitude of the correlation coefficient (r) between 0 and 1 signify the strength of the relationship. For interval scale variables like Likert scales, Pearson correlation is appropriate for examining relationships. Similarly, Life satisfaction ($r = .574, .591, .584, .546$, $p < 0.01$), job satisfaction ($r = .323, .357, .364, .300$, $p < 0.01$), and career satisfaction ($r = .547, .550, .507, .521$, $p < 0.01$) are all strongly and favorably correlated with experience, professional experience, cognitive ability, and academic knowledge.

Table 2: Correlation Analysis

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Social-Relationship.(1)	1.00											
Personal-Relation(2)	.84**	1.00										
Complicity(3)	.85**	.64**	1.00									
Interlink.(4)	.90**	.70**	.84**	1.00								
Status.(5)	.82**	.65**	.68**	.97**	1.00							
Cognitive Ability.(6)	.72**	.53**	.71**	.79**	.74**	1.00						
Professional Ex.(7)	.74**	.58**	.74**	.80**	.75**	.96**	1.00					
Experience.(8)	.73**	.62**	.72**	.75**	.69**	.80**	.90**	1.00				
Knowledge.(9)	.70**	.61**	.68**	.71**	.64**	.72**	.83**	.99**	1.00			
Life Sat.(10)	.68**	.54**	.59**	.68**	.64**	.58**	.59**	.57**	.55**	1.00		
Job Sat.(11)	.43**	.31**	.35**	.40**	.38**	.36**	.36**	.32**	.30**	.50**	1.00	
Career Sat.(12)	.70**	.61**	.53**	.61**	.57**	.51**	.55**	.55**	.52**	.59**	.45**	1.00

** =correlation is significant at .01 each

5.4. Variance in Common Methods (Herman Single Factor Test)

Harman's single-component test was employed to assess if the majority of the variance could be explained by a single variable. Before conducting Factor Analysis, Kaiser-Meyer-Olkin Measure of Sampling Adequacy and Bartlett's Test of Sphericity were performed to determine the appropriateness of the data for Confirmatory Factor Analysis (CFA). Bartlett's test of sphericity indicates whether variables in the population are uncorrelated with each other, essentially confirming that each variable correlates perfectly with itself. The Kaiser-Meyer-Olkin (KMO) measure assesses sampling adequacy, with values above .90 considered excellent, .80 worthy, .70 moderate, .50 not good, and less than .50 undesirable (Dziuban and Shirkey). A KMO value of .923 and significant Bartlett's Test ($p < 0.001$) indicate suitability for proceeding with CFA to assess Common Method Bias (CMB). Upon generating only one factor, it was observed that 42.215% of the variance was explained. Consequently, it was concluded that CMB was not an issue in the dataset.

Table 3: Sample Adequacy

KMO and the Test of Bartlett's			
Kaiser-Meyer-Olkin Measure	Sampling Adequacy		.923
Bartlett's Test of Approx.			
Chi-Square			25994.329
Sphericity	Df		1128
Sig,			0.000

Table 4: Common Method Variance

Total Variance Explained							
Component		Initial Eigenvalues			Extraction Sums of Squared Loadings		
		Total	% Of Variance	Cumulative%	Total	% Of Variance	Cumulative
dimension0	1	20.263	42.215	42.215	20.263	42.215	42.215
	2	4.803	10.006	52.221			
	3	2.295	4.781	57.001			
	4	1.698	3.538	60.539			
	5	1.637	3.410	63.949			
	6	1.327	2.764	66.713			
	7	1.221	2.543	69.256			
	8	1.121	2.336	71.593			
	9	1.051	2.191	73.783			
	10	.880	1.833	75.616			
				

5.5. Confirmatory Factor Analysis at Scale Level

5.5.1 Human capital

(i) Factor Loading

The first-rate fit model is displayed in Human Capital (Figure 6.1), where HCAK1, HCAK2, HCEX1, HCEX2, HCPEX1, HUPEX2, HCPEX3, HCCA1, HCCA2, and HCCA3 display factor loading values of .788, .804, .828, .853, .775, .813, .706, .865, .841, .735 and .648 (Table 6.9. (i)) and factor loading values above the suggested values.

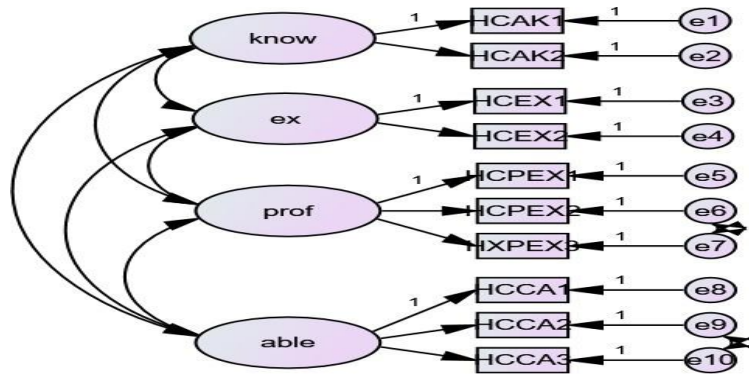


Figure 2: Model of Human Capital

Table 5: Standardized Regression Weights of Human Capital Items

	Estimate-value	P-value
Q(1) <--- Know	.788	***
Q(2) <--- Know	.804	***
Q(3) <--- Ex	.828	***
Q(4) <--- Ex	.853	***
Q(5) <--- Prof	.775	***
Q(6) <--- Prof	.813	***
Q(7) <--- Prof	.706	***
Q(8) <--- Able	.865	***
Q(9) <--- Able	.841	***
Q(10) <--- Able	.735	***

5.5.2 Performance of the Organization (Career, Job, and Life Satisfaction)

Career Satisfaction

(i). Factor Loading

Career Satisfaction Figure displays the first-rate fit model, with CS1, CS2, CS3, CS4, and CS5 displaying factor loading values of .757, .885, .699, .328, and .315 as well as loading values above the suggested ranges.

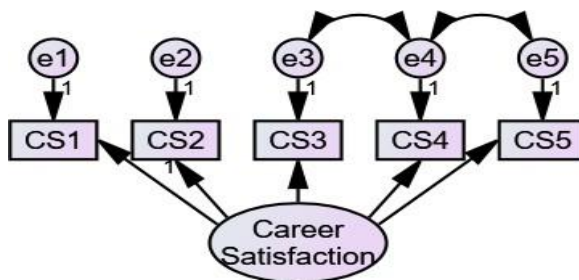


Figure 3: Model of Career Satisfaction

Table 6: Standardized Regression Weights of Career Satisfaction Items

	Estimate value	P-value
Q(32) <--- Career_Satisfaction	0.76	***
Q(33) <--- Career_Satisfaction	0.89	***
Q(34) <--- Career_Satisfaction	0.70	***
Q(35) <--- Career_Satisfaction	0.33	***
Q(36) <--- Career_Satisfaction	0.32	***

(ii). Summary of the Model Fit

Model fitness is assessed using the chi-square to the degree of freedom, and a result of less than three indicates a good model (Anderson and Gerbin, 1988). A satisfactory model fit was indicated by the current model's chi-square to the degree of freedom of 2.45. GFI and AGFI, which are used to explain the variance of the model, are further measures of model fit summary. Given that values of GFI and AGFI over 0.9 and near 1 are regarded as outstanding, the current model's values of 0.995 and 0.974 are within an acceptable range (Anderson and Gerbin, 1988 and Bentler, 1992). When RMSEA is used to examine approximation error, a value of 0.08 or less is deemed acceptable and shouldn't exceed 0.1 (Browne and Cudeck, 1993). The error of approximation for the current model is less than an acceptable amount, at 0.051. The PCLOSE value, which indicates how well the model fits, should be higher than 0.5. It is 0.610 for the current model, indicating an excellent model match. The results are displayed in the table.

Table 7: (ii). Summary of Model Fit

All Model	(CMIN/DF)	(GFI)	(AGFI)	(RMSEA)	(PCLOSE)
Model by Default	2.45	.995	.97	.051	.610

Job Satisfaction

(i). The Loading of Factor

Job Satisfaction Figure shows the first-rate fit model where JS1, JS2, JS3, JS4 and JS5 show the loading of factors .648, .805, .835, .913 and .810 and they show the values of factor loading above the recommended values.

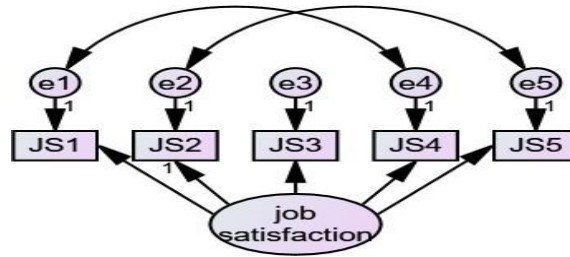


Figure 4: Model of Job Satisfaction

Table 8: (i) Standardized Regression Weights of Job Satisfaction Items

	Value Estimate	P-value
Q(37) <--- (job_satisfaction)	.648	***
Q(38) <--- (job_satisfaction)	.805	***
Q(39) <--- (job_satisfaction)	.835	***
Q(40) <--- (job_satisfaction)	.913	***
Q(41) <--- (job_satisfaction)	.810	***

(ii). The Fit Summary Model

When evaluating the model's fitness, the chi-square to the degree of freedom is utilized; a value of less than three indicates a good model (Anderson and Gerbin, 1988). With a chi-square to degree of freedom of 1.236, the current model fits the data well. GFI and AGFI are two additional metrics of model fit summary that are used to account for model variation. As values of GFI and AGFI over 0.9 and nearer 1 are regarded as excellent, the current model's values of 0.997 and 0.987 are determined to be within an acceptable range (Anderson and Gerbin, 1988 and Bentler, 1992). The error of approximation is examined using RMSEA, and a result of 0.08 or less is deemed acceptable and shouldn't exceed 0.1 (Browne and Cudeck, 1993). The current model's error of approximation is less than an acceptable amount, as indicated by its value of 0.071. PCLOSE, a measure of model fit, should be higher than 0.5. A good model fit is shown by the current model's value of 0.760.

Table 9: (ii). Summary of Model Fit

All Model	CMIN/DF	GFI	AGFI	RMSEA	PCLOSE
Model by Default	1.236	0.997	0.99	0.071	0.76

Life Satisfaction

(i). Factor Loading

The first-rate fit model is displayed in Life Satisfaction (Figure 5), with LS1, LS2, LS3, LS5, LS6, and LS7 displaying the factor loading 437,.481,.441,.798,.934, and.80, and they display

factor loading values that are higher than those that are advised. Because of the negative factor loading, LS4 was discarded.

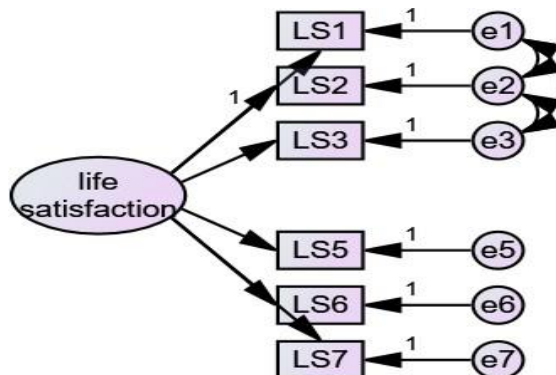


Figure 5: Model of Life Satisfaction

Table 10: (i) Standardized Regression Weights of Life-Satisfaction Items

	Estimate value	P-value
Q(42) <--- (life-satisfaction)	.437	***
Q(43) <--- (life-satisfaction)	.481	***
Q(44) <--- (life-satisfaction)	.441	***
Q(45) <--- (life-satisfaction)	.798	***
Q(46) <--- (life-satisfaction)	.934	***
Q(47) <--- (life-satisfaction)	.808	***
Q(48) <--- (life-satisfaction)	.840	***

(ii). Fit Summary Model

According to Anderson and Gerbin (1988), a model is deemed to be excellent if its chi-square to the degree of freedom value is less than 3. A satisfactory model fit was demonstrated by the current model's chi-square to the degree of freedom of 2.45. GFI and AGFI are additional metrics of model fit summary that are used to account for model variation. Given that values of GFI and AGFI over 0.9 and near 1 are regarded as outstanding, the current model's values of 0.995 and 0.986 fall within an acceptable range (Anderson and Gerbin, 1988 Bentler, 1992). According to Browne and Cudeck (1993), RMSEA is used to examine approximation error and a value of 0.08 or less is deemed acceptable and shouldn't exceed 0.1. The error of approximation for the current model is 0.023, which is less than a reasonable amount. A PCLOSE value greater than 0.5 indicates that the model fits. The value of 0.840 for the current model indicates a decent model fit. Results are displayed in the table.

Table 11: (ii). Summary of Model Fit

All Model	CMIN/DF	GFI	AGFI	RMSEA	PCLOSE
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Default model	1.29	0.99	0.99	0.023	0.84
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5.6. Analysis of Moderation/Interactional Effects

To investigate the interplay between composite variables and individual social capital components (status, family support, personal relationship, social relation) and human capital dimensions (knowledge, experience, professional proficiency, cognitive ability) and performance dimensions (job satisfaction, career satisfaction, life satisfaction), we employed AMOS 22. After standardizing the variables, the standardized values of the independent and moderating factors were multiplied in SPSS to get the interaction terms. We then acquired p-values, standard errors, and estimates (beta values). Using Structural Equation Modeling (SEM), the interactional components' contributions to the regression equations were used to determine their relevance. Before looking at the impacts dimension-wise, the study first looked at the composite effect. A step-by-step presentation of the specific outcomes of every contact may be seen below.

6. Conclusion and Discussion

The study finds that all aspects of human capital—academic knowledge, experience, professional experience, and cognitive ability—have a significant impact on worker performance as shown by life, work, and career satisfaction. Employees' perceptions, as emphasized by Kurkato (2005), play a crucial role in predicting these satisfaction-related attitudes, often surpassing the significance of actual behavior or attitudes. Participants exhibit higher levels of academic knowledge, likely due to on-the-job and off-the-job training opportunities facilitating career growth and promotions, resulting in increased career and life satisfaction. Additionally, their rich management experience equips them with the necessary skills to excel in their roles, catering to customer needs and market demands, along with effective communication skills essential for managerial success, as noted by Mackinnon (1994).

Managers' cognitive abilities and learning curves are pivotal for strategic decision-making and propensity to risk-taking in the banking sector. Despite the critical employment landscape and job insecurity in Pakistan's private sector, managers exhibit a penchant for risk-taking, coupled with a keen awareness of sector-specific risks and threats. Their intellectual stimulation drives innovation and creativity, making them adept at scanning the environment for opportunities and navigating competitive strategies. Additionally, social capital strengthens the link between multidimensional performance metrics and human capital by acting as a moderator. This relationship is strengthened by elements like status, interconnection, familial support, and interpersonal and social relationships, which raise levels of happiness in many areas of life, work, and career. Managers' strong interpersonal skills facilitate robust networking with financial entities, governmental agencies, and business associations, fostering career advancement and organizational success. Furthermore, their proactive approach aligns with Vroom's Expectancy Theory, as they strive for career progression and personal goal attainment, ultimately leading to high levels of satisfaction across job and life dimensions.

7. Recommendations

Based on the study's findings, recommendations for managers and policymakers include fostering emotional attachment among employees to enhance commitment, ensuring effective orientation and personnel policies aligned with employee and organizational needs, investing in continuous training and development programs to enhance employee skills, aligning employees' career

growth needs with suitable job roles, encouraging a proactive approach and empowering employees to solve this problem, developing effective communication and networking skills among managers, focusing on building relational and intellectual capital alongside human and social capital, and embracing innovative work behavior to adapt to change effectively and maintain competitiveness.

Succession planning is crucial, especially for managing the transition of retiring employees, which can be facilitated through mentoring and training processes to prepare a capable workforce. Effective performance appraisal systems are essential for reinforcing positive behaviors and addressing areas needing improvement, aligning with the social learning theory's emphasis on reinforcement and observation. Positive reinforcement, intrinsic and extrinsic rewards, and challenging work contribute to behavior modification and skill development, fostering a culture of continuous learning and improvement. Management competencies must be continually enhanced to ensure efficient operations, alongside effectively managing workforce diversity. Implementing employee wellness programs and ensuring justice and fairness within the organization can build trust and support among employees while offering old-age benefit programs such as pensions and medical insurance can further motivate and retain employees.

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