

AN OBJECTIVE ASSESSMENT OF HUMAN CAPITAL IN IRAQI PRIVATE COMMERCIAL BANKS

RAHMAN MAHMOUD SHEHATHA AL-AZZAWI

College of Administration and Economics, University of Diyala.

Corresponding Email: rahman@uodiyala.edu.iq ;

Dr. RIDHA CHKOUNDALI

Professor, Carthage University - Faculty of Economic Sciences and Management in Nabeul, Tunisia.

Email: Chkoundali2000@yahoo.com;

Dr. SAAD ALI HAMMOOD INIZA

Professor, Mashreq University / College of Economic and Administrative Sciences.

Email: al_ainizis@yahoo.com

Abstract

The research aimed to identify the level of human capital in the Iraqi private commercial banks. The research sample consisted of (352) individuals representing the Iraqi private commercial banks, and for the purpose of data collection, the researchers prepared a special questionnaire for the objective assessment of human capital in the Iraqi private commercial banks. The questionnaire was subjected to scientific treatments before the final application on the research sample, and the researchers used the arithmetic mean, standard deviation, Pearson's simple correlation coefficient, and the hypothetical mean. After presenting and discussing the results, the researcher concluded the following: 1. The presence of high percentages, but uneven in the level of human capital owned by the Iraqi private commercial banks., 2. Classification of Iraqi private commercial banks into three groups, a standard classification according to topical evaluation. 3. Human capital has an important role in achieving the objectives of the Iraqi private commercial banks. The researchers recommend a number of recommendations, the most important of which are: 1. the need to pay attention to human capital by the owners of private Iraqi commercial banks. 2. Holding workshops to develop human cadres in Iraqi private commercial banks.

Keywords: Objective evaluation, human capital, Iraqi private commercial banks

1. INTRODUCING THE SEARCH:

1-1 Introduction to the research and its importance

In light of the rapid environmental changes surrounding contemporary organizations of different types and sizes and the sector in which they operate, achieving success and its continuity has become extremely difficult unless the ingredients for that success are available.

The human capital is one of the most important elements of success, as its importance is highlighted by working to find harmony and harmony between the organization's capabilities, capabilities, resources and external environment; this increases its stability, survival, growth, and customer satisfaction. The objective evaluation of human capital is an essential process in various fields of work, in addition to being a process that does not stop at a specific time or stage of an individual's performance.

Developing human capital, which is the most important resource for achieving competitive advantage, preparing current administrative leaders, and providing them with the necessary support as prospective strategic leaders, strategic leadership provides information and policies that direct the administrative process within organizations, which provides a work environment with clear features and specific goals, as it helps to do the following (Al-Zahrani, 2020: 7):

1. Building and defining the vision and mission of the organization, and providing a strategy to achieve success based on enhancing competitiveness.
2. Identify the activities and skills necessary to deal with all individuals inside and outside the organization.
3. Creating the process of education and learning, and providing strategic awareness in order to ensure the success of the organization.
4. Identify vital resources and work on developing skills and capabilities, and deal flexibly in the face of continuous changes, especially in the presence of continuous technology.
5. Implementing plans and strategies by applying specific and clear standards, and achieving comprehensive quality standards in organizations.
6. Controlling work problems and finding a solution to them, discussing different opinions and proposals, and resolving differences.

Human capital is represented by the capabilities, skills, experience and knowledge that the organization's members possess, which is a real wealth and an important resource from its resources, as it works to invest it optimally in order to achieve outstanding levels of performance (Al-Zubaidi and Al-Mashhadani, 2016: 273).

(Al-Hadrawi and Hadi, 2018: 227) indicated that it is a group of individuals who possess skills, knowledge and capabilities that contribute to increasing the economic value of the organization. The individuals who work in the organizations represent a capital resource that needs investment. Investing in human capital in a complex competitive environment is almost the only source of sustainable competitive advantage, and the responsibility for investing in human capital rests with the senior management leadership in organizations, which represents strategic leadership by investing in the constituent areas of human capital, represented by aspects of knowledge, skill, capabilities and innovation.

The strategic leader must attract the best available talents and continue to develop the employee's capabilities through training, exploitation and motivation of talents, (Hussein, 2007: 60) indicated that the components of human capital are as follows:

- A. **Knowledge:** represented by the group of experiences, values and information available to employees that are used to develop a product or service in the organization or solve work problems.
- B. **Skill:** It is the ability of employees that they use inside and outside the organization to accomplish the tasks assigned to them.

- C. **Capabilities:** It represents a source of superiority over competitors and achieves added value by employing its strengths to invest in opportunities and deal with threats.
- D. **Innovation:** It means the ability to provide new solutions instead of using traditional methods on an ongoing basis, and innovation is an essential and necessary element for the creativity of employees and the ability of the organization to adapt to new situations.

The importance of human capital is evident through its active role in distinguishing the Iraqi private commercial banks, as it is one of the most important elements in the productive process, and helps innovation, creativity and achieving a competitive advantage for them, It is considered one of the important pillars on which banks rely in achieving their goals by attracting competencies and skills, It represents employees who are characterized by unique capabilities capable of producing new creative ideas, advanced methods, and masterminds with extensive knowledge that make the organization able to distinguish itself by responding to customer requirements and seizing appropriate opportunities (Al-Mayali, 2011, 150).

The importance of research is evident here in the objective evaluation of the human capital of Iraqi private commercial banks.

1-2 the research problem

The interest of economic theory in the issue of human capital is an interest as old as the science of economics itself. Since the early writings of Adam Smith, which focused on the importance of specialization and division of labor in the reasons for the wealth and progress of nations, the human element was the focus of the development process. The new economic growth models considered human capital as the crucial element in the development process.

There are many problems suffered by the Iraqi private commercial banks, and therefore they need an objective assessment of their human capital. Therefore, the study problem can be formulated through the following question:

What is the level of human capital in Iraqi private commercial banks?

1-3 Research objectives

- Identifying the level of human capital in some Iraqi private commercial banks.
- Standard classification according to the objective assessment of human capital in Iraqi private commercial banks.

1-4 Research hypotheses

There is a possibility to measure and evaluate the human capital in the Iraqi private commercial banks.

1-5 Areas of research

- ❖ **Human spatial:** individuals working in Iraqi private commercial banks.

❖ **Time range:** for the period from 10/20/2022 to 12/20/2022

❖ **Area spatial:** Iraqi private commercial banks.

1-6 Definition of term

Human capital: It is a dynamic, multidimensional concept, characterized by strong interlinkages with many other important concepts such as knowledge capital, social capital and human development; however, it differs from them in that it focuses on the human element as only one of the main determinants of the economic growth process. (Al-Anzi Saad, 2015: 148).

2- METHODOICAL RESEARCH PROCEDURES:

2-1 Research Methodology:

The researcher used the descriptive method for its suitability and the nature of the problem.

2-2 The research community and its sample:

The research community included individuals working in private Iraqi commercial banks, while the research sample included (352) individuals working in private banks, the individuals were selected in the systematic random way, and (25) individuals were chosen in the same way, representing the stability sample, and Table (1) shows the distribution of the research sample.

Table 1: The details and distribution of the research sample

The bank	The main sample	The survey sample	The percent %
Iraqi Middle East Investment Bank	48	15	%17,897
Gulf commercial Bank	41	10	%14,488
Iraqi Commercial Bank	42	-	%11,931
Mansour Commercial Bank	46	-	%13,068
Credit Bank of Iraq	41	-	%11,647
United Bank for Investment	38	-	%10,795
National Bank of Iraq	36	-	%10,227
Bank of Baghdad	35	-	%9,943
Total	327	25	%100

2-3 ways to collect data:

To achieve the objectives of the study, the researcher had to use a number of means to collect data, the purpose of which was to access information related to the study, for this the following was used:

2-3-1 Content Analysis

The researcher analyzed the content of (measurement and evaluation) and (administration) sources, as well as the sources of human capital.

2-3-2 Questionnaire:

It is "a tool for collecting data related to a specific research topic through a form that is filled out by the respondent" (Al-Husseini, Bassam: 65.2020).

The researcher designed the questionnaire; its aim is to obtain the percentages of agreement of the specialists by presenting it to the specialists to determine the validity of the items of the scale and its alternatives.

2-3-3 Scale:

2-3-3-1 Description of the study questionnaire:

The researchers prepared a special questionnaire to measure and evaluate the level of human capital in Iraqi private commercial banks. The questionnaire included 38 expressions that reflect the level of human capital in the Iraqi private commercial banks.

2-4 scientific specifications of the scale:

2-4-1 the honesty of the scale:

"Honesty is one of the most important conditions that must be met in any tool used for any research, and honesty means that the tool measures what it was developed for, as the honest tool measures the function it claims" (Al-Husseini, Bassam Ali Muhammad and Mustafa, Omarani: 2020. 73).

In order to verify the validity of the scale used in the current study, the apparent validity of the scale was achieved by presenting a questionnaire to specialists to express their opinions on the validity of the items of the scale, the acceptance of paragraphs that obtained an agreement rate of (75%) and above was approved according to Bloom's levels, as shown in table (2).

Table 2: The percentages of agreement between the opinions of the experts

Experts Scale	E 1	E2	E3	E4	E5	E6	E7	E8	E9	Agreement ratio
Human Capital Scale	√	√	√	√	√	√	√	√	√	100%

Table (2) shows the percentages of agreement of the opinions of the specialists, as the researcher adopted the percentage of agreement (75%) or more to accept the scale, and the percentage of agreement was achieved 100% for the scale and for all its expressions.

2-4-2 Self-honesty:

The validity of the empirical scores of the test in relation to the real scores that have been cleared of measurement errors, which is the scale to which the validity and reliability of the test is attributed. It is based on the correlation coefficient between the real scores of the test itself if the test is repeated on the same group of individuals again. Self-truth is measured by calculating stability. (Rogery Rogozev Dominik, translation by; Salih Khalil: 1997. 184).

The value of self-honesty is obtained from the square root of the stability coefficient, as shown in Table (3), and is extracted by the following equation:

$$\text{Self honesty} = \sqrt{\text{Stability coefficient}}$$

Table 3: The honesty coefficient of the self scale

Honesty Scale	Stability coefficient	Self honesty
Communication skill scale	0.91	0.89

2-4-3 the stability of the scale

"Stability" means the degree of consistency between the scores of the respondents if the test was repeated for them twice or more, and the researcher used the method of re-testing (stability coefficient). This method is one of the easiest methods of calculating the stability of the test and the most common in the field of scientific research.

The researchers distributed the scale to the stability sample (25) individuals, then the scale was redistributed again after two weeks, the simple correlation coefficient was extracted between the two groups to identify the stability value of the scale, as shown in Table (4).

Table 4: The arithmetic mean, standard deviations, and correlation between the two applications

Treatments Scale	First Application		Second Application		Stability
	Arithmetic mean	Standard Deviation	Arithmetic mean	Standard Deviation	
Scale of intellectual capital	77.13	4.52	80.15	3.37	0.77

Table (4) shows the arithmetic mean, standard deviations, and correlation for the two applications, where the researcher adopted stability value of more than (0.71), which makes the scale stable and acceptable.

2-5- The final application of the scale:

After verifying the validity of the scale with its scientific transactions and the suitability of its paragraphs for the sample, which included (327) individuals, the researchers proceeded with the main experimental procedures and distributed the attached questionnaire (2) to the study sample and then collected it.

2-6 Statistical treatments:

The researchers used the statistical bag on the computer (SPSS) / (Excel) in the following statistical treatments

Arithmetic means, standard deviations, percentages, correlation coefficient (R), hypothetical mean (total alternatives x number of paragraphs/number of alternatives)/ torsion coefficient/mode

3- Presentation, analysis and discussion of the results:

3-1: Description of the primary data for the measure of human capital in Iraqi private commercial banks:

After collecting data for a scale and processing it statistically, the nature of this data was identified through the value of the arithmetic mean, standard deviation, mode, torsion coefficient, perhaps the main purpose of extracting the torsion coefficient is to try to reach an acceptable equilibrium curve that is close to the typical that is (the torsion coefficient is zero), hence, the importance of calculating the torsion coefficient appears (Melhem, Sami Muhammad, 2000: 62).

What indicates that the scale used is characterized by moderation and tends to a normal moderate distribution, the value of the torsion coefficient for this scale falls within (± 3), as "measurement has the ability to show differences between groups when the skew extends from (-3) in the negative torsion to (+3) in the positive torsion". Since all the value of the arithmetic mean was greater than the standard deviation, this indicates the regularity of the research sample, the appearance of the arithmetic mean is greater than the standard deviation is an important indicator of the regularity of the research sample.

Table 5: The arithmetic mean, standard deviation, torsion coefficient, and mode of the scale

Treatments Scale	Arithmetic mean	Standard Deviation	Torsion coefficient	Mode	Hypothetical average
Human capital	80.17	4.11	0.52	79	0.77

Table (5) shows the arithmetic mean, standard deviation, skewness coefficient, mode, and hypothetical average of the human capital measure in Iraqi private commercial banks according to the data of the research sample.

Table 6: Research sample levels

Groups	Gross degree	Repetition	Percent %
Higher group	85.5 and above	93	28.44%
Middle group	76.8-84.49	166	50.76%
Lower group	76.7 and below	68	20.80%
Total	---	327	100%

From Table 6, we notice that the number of individuals in the upper group is (93), with a percentage of (28.44%), while the number of individuals in the middle group was (166), with a percentage of (50.76%), the number of individuals in the lower group was (68), with a percentage of (20.80%). Figure (2) shows the distribution of the research sample in standardly classified groups.

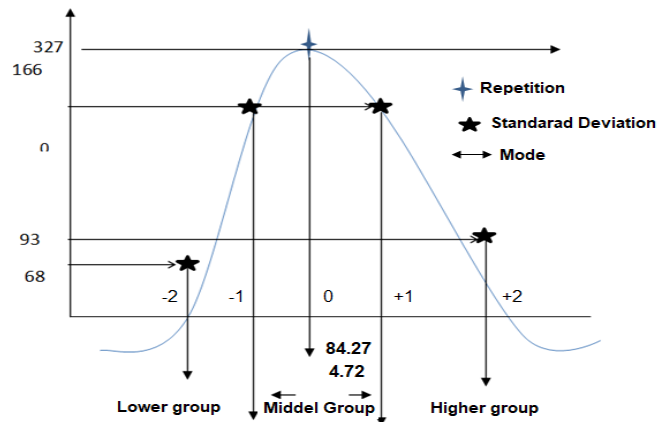


Figure 2: The normal curve and the distribution of the research sample in three groups

A normal distribution curve was designed and built through (the arithmetic mean and standard deviation) depending on the gross data of the research sample.

3-2- The objective evaluation index of human capital in Iraqi private commercial banks

Through the interpretation of Table (6) in identifying the three groups, and if we want to know the level of one of the individuals working in Iraqi private commercial banks and within which of the three groups it falls, this can be done by matching the score he gets by answering the questionnaire and by going back to the table and matching it with the levels of the groups. Through the data table in Table (6) and Figure (2), it was found that most of the study sample, or the percentage and the largest iterations, were in the middle level or the middle group. The researcher attributes this result to the level of evaluation of human capital in Iraqi commercial banks, although it is good, but not at the level of ambition, and that it needs to activate and increase the capabilities of human capital in private banks in terms of quantity and quality in a better way to achieve the goals of those banks with high quality.

This is confirmed by (Jamal Muhammad and Badi Hussain, 2019) that the development of human capital takes place through the transfer of knowledge from one person to another and achieving satisfaction, understanding and excellence for the workers in the organization (Jamal Muhammad and Badi Hussain: 131.2019). Likewise, (Muhammad Sorour Al-Hariri: 2014. 143) showed that human capital is of great importance in achieving the goals of institutions of all kinds.

4- THE CONCLUSIONS AND RECOMMENDATION

4-1 Conclusions

The researchers found:

- ❖ The presence of high percentages, but uneven in the level of human capital in the Iraqi private commercial banks.
- ❖ Iraqi commercial banks are divided into three groups according to a standard classification according to an objective evaluation according to the level of their human capital.
- ❖ Human capital has an important role in achieving the objectives of the Iraqi private commercial banks.

4-2 Recommendations

The researchers suggest a number of recommendations, the most important of which are:

- There is a need to pay attention to human capital by the owners of private Iraqi commercial banks.
- Holding workshops to develop human cadres in Iraqi private commercial banks.

References

1. Jamal Muhammad Ali and Badi Hussain Al-Dosari. Sports Management in the 21st Century: (Al-Rasheed Bookshop Publishers, Amman, 2019).
2. Al-Husseini, Bassam Ali Muhammad and Mustafa, Omar Hani. A comparative study of communication skill between teachers of some departments of the College of Basic Education at the University of Mosul: (Journal of Research of the College of Basic Education, University of Mosul, 2020).
3. Roger Wimmer and Joseph Dominic Introduction to the Foundations of Scientific Research - Methods of Scientific Research, (translation): Saleh Khalil Abu Osbaa, 6th edition: (Amman, Dar Aram for Studies, Publishing and Distribution, 1997), p. 184.
4. Muhammad Sorour Al-Hariri, Contemporary Management: (Al-Warraaq for Publishing and Distribution, Amman, 2014), p. 143.
5. Hussein, Saeed Mahdi, (2007), "The Impact of Strategic Human Capital and Critical Success Elements on Organizational Excellence: A Comparative Exploratory Study", Ph.D. thesis in Business Administration, College of Administration and Economics, Al-Mustansiriya University.
6. Al-Zaidi, Hussein Lazim (2016), "The effects of human error on banking risks and the possibility of shifting towards a learning organization", PhD thesis, Department of Business Administration, College of Administration and Economics, University of Baghdad.
7. Al-Zubaidi, Ghani Dahham Tanai and Al-Mashhadani, Amna Abdul-Karim Mahdi (2016), "The role of human capital and the distinguished performance of workers in achieving organizational excellence", Al-Ghari Journal of Economic and Administrative Sciences, Volume 14, Number 38.
8. Al-Zahrani, Attia Muhammad, (2020), "The Role of Strategic Leadership to Achieve Competitive Excellence in Educational Institutions in the Digital Age", The Academic Journal for Research and Scientific Publishing, Issue Ten, ISSN: 2706-6495 www.ajrsp.com

9. Muhammad Jassem Muhammad, (2020), "The Concept of Scientific Research and Its Ethics in the Field of Administrative Research", Published Ph.D. Lectures, College of Administration and Economics, University of Baghdad.
10. Al-Hadrawi, Hamid Karim and Hadi, Jalal Fahim, (2018), "Strategic Leadership Practices as a Roadmap to Stabilizing Customer Satisfaction", Al-Ghari Al-Ghari Journal of Economic and Administrative Sciences, Volume 15, Issue 3.
11. Rogerwimmer and Joseph Dominic Introduction to the Foundations of Scientific Research - Methods of Scientific Research, (translation): Saleh Khalil Abu Osbaa, 6th edition: (Amman, Dar Aram for Studies, Publishing and Distribution, 1997), p. 184.
12. Al-Anzi, Saad Ali, (2015), "Elements of Strength in Leadership (Management - Organization - Human Resources - Strategy)", first edition, Adnan Library for Printing, Publishing and Distribution, Baghdad.
13. Al-Mayali, Hakim Ahsuni Makroud, (2011), "The Role of Knowledge Management in Investing Human Capital to Achieve Strategic Performance", Al-Ghari Journal of Economic and Administrative Sciences, Volume 7, Number 21.