УДК 811.111:339.133.3

THE THEORY OF "HUMAN CAPITAL"

Students Pivankova L.V., Karachun V.I.
Scientific supervisor – senior lecturer Korzun O.F.
Belarusian National University of Technology
Minsk, Belarus

“Human capital” is the accumulated knowledge and skills of a person.

Meaning that those who invest in their education are calculating to increase their capital, which will in turn lead to higher income.

According to this theory, sufficient investment in people will lead to economic growth. For example, some countries provide their citizens with free higher education because they recognize that a more educated population tends to earn and spend more, which boosts the economy.

Theodore Schulz was the first person to coin the phrase "human capital" in his address to the American Economic Association in 1960. He believed that people and nations should invest in education to improve job opportunities and economic growth.

The basis of human capital development is a theoretical pipeline that consists of three main dimensions: preparation, recruitment, and retention. These three dimensions make up the foundation of a company's strategic human capital plan. And fulfilling these three dimensions of development, companies will be able to produce a staff that is talented and effective as both workers and leaders. The first principle of the pipeline, preparation, focuses on strengthening human capital of an individual by fostering work-related skills or knowledge. These types of trainings and professional development opportunities are tailored specifically to fit the needs of either certain organizations or branches or of individuals wanting to qualify in specific areas. The second principle of this pipeline, recruitment, addresses procurement of individual assets and is directed at more general characteristics of future employees such as self-efficacy, problem-solving skills, and other broader abilities. The third principle of this pipeline, retention, explores human capital and the promotion of individual self-exploration. Exploring one's traits, abilities, interests, and skills by providing them the opportunity for further education or educational experiences. Organizational culture, or the specific way of doing business, is based on shared subconscious assumptions and implied beliefs that affect daily behavior and organizational performance.

From sociologists, education and training, the theory of "human capital" caused a lot of criticism. In the 1960s, during the Marxist revival, it was attacked for recognizing the importance of bourgeois individualism, this was especially acutely felt in the United States, the birthplace of this theory. Criticism of internal norms arose at the moment when it was believed that people's high income may be due to their giftedness or coming from more affluent families, and not the usefulness of the knowledge and skills they acquired. According to G. Becker, "human capital" can be consumer capital - one that is created in creative and educational activities; and productive - one that benefits society (for example, products or technologies) [1].

Human capital can be divided into: total human capital is the knowledge, skills and abilities that can be implemented in various organizations; specific human capital - knowledge, skills and abilities that are used only in a particular workplace, human intellectual capital - capital embodied in people in the form of their education, qualifications, professional knowledge and experience.

Human capital in the economy is seen as a store of knowledge of the individual, his experience and skills that he uses to maximize income.

References

1. [Electronic resource]. – Mode of access: – https://scienceforum.ru/2016/article/2016028838. – Date of access: 22.02.2023.