

The role of Investment related to Human Capital in raising the Organization's Competitiveness in light of the application of Knowledge Management.

دور الاستثمار المتعلق برأس المال البشري في رفع تنافسية المنظمة في ضوء تطبيق إدارة المعرفة

BIDI Said^{1*}

RADJEF Nacera²

1- Entrepreneurship and Tourism Development Laboratory, Morsli Abdullah University Center of Tipaza, Algeria. bidi.said@cu-tipaza.dz

2- Entrepreneurship and Tourism Development Laboratory, Morsli Abdullah University Center of Tipaza, Algeria. radjef.nacera@cu-tipaza.dz

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Abstract:

This study deals with the issue of investing in Human Capital and its impact on the organization's competitiveness in parallel with the application of knowledge management as a modern management tool whose objectives intersect with the desired objectives of direct investment in human capital. Knowledge management aims to raise the organization's cognitive competencies by making knowledge available and organizing it in the organization. That allows the raising of knowledge capacities of individuals and developing their creative abilities through training, education, and qualification, and opening the way for creative ideas, which reflect in raising the value of the organization's human capital and thus the organization's competitiveness by achieving a competitive advantage based on the creative capabilities of individuals and the organization. In this research, we used the descriptive analytical approach. To understand the various dimensions and elements of the study variables and the concepts associated with them and the relationship that links them, starting with knowledge management, to the investment in human capital and how it affects the organization's competitiveness. The results reached confirm the centrality of the role of knowledge

* Corresponding author : BIDI Said

management in supporting the achievement of the organization's goals that it seeks through investing in its Human Capital.

Keywords: Human Capital; Investment; Knowledge Management; Innovation; Organization competitiveness.

المخلص:

يتناول هذا البحث موضوع الاستثمار في رأس المال البشري وانعكاسه على تنافسية المنظمة بالموازاة مع تطبيق إدارة المعرفة باعتبارها أسلوب إداري حديث يتقاطع في أهدافه مع الأهداف المرجوة من مباشرة الاستثمار في رأس المال البشري، فإدارة المعرفة تهدف إلى رفع الكفاءات المعرفية في المنظمة بإتاحة المعرفة وتنظيمها في هيكل المنظمة ما يسمح برفع الرصيد المعرفي للأفراد وتنمية قدراتهم الإبداعية عبر التدريب والتعليم والتأهيل وفتح المجال للأفكار المبدعة ما سينعكس على رفع قيمة رأس المال البشري للمنظمة وبالتالي تنافسية المنظمة من خلال تحقيقها لميزة تنافسية تستند إلى القدرات الإبداعية للأفراد وللمنظمة، استخدمنا في هذا البحث المنهج الوصفي التحليلي الأنسب لتحليل وفهم مختلف أبعاد وعناصر متغيرات الدراسة والمفاهيم المرتبطة بها والعلاقة التي تربط بينها بدءا بإدارة المعرفة والاستثمار وصولا إلى رأس المال البشري وكيفية تأثيره في تنافسية المنظمة، وقد توصلنا إلى نتائج تؤكد محورية دور إدارة المعرفة في دعم تحقيق أهداف المنظمة التي تسعى إليها عبر الاستثمار في رأس مالها البشري.

كلمات مفتاحية: الاستثمار؛ رأس المال البشري؛ إدارة المعرفة؛ الإبداع؛ تنافسية المنظمة..

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Introduction:

The world is witnessing tremendous changes produced by the digital and technological revolution, and the economy is one of the most important fields that has been at the core of the changes that the environment is witnessing, especially with the accelerating pace and complexity of technological and cognitive transformations, as business organizations are facing great challenges in order to adapt to these transformations and integrate into the new system of the modern economy based on The knowledge value instead of the value of goods known in

classical economy, and accordingly the value of the human resource has increased, especially those who possess the cognitive competencies, skills and experience that provide effective solutions to the problems facing the Organization. This category has become what is called "Human Capital", which is one of the organization's core resources. Therefore, it has become necessary to invest this resource to value it and increase the benefit obtained from it for the organization, since investment in Human Capital is either raising the efficiency of individuals present in the organization or attracting those with capabilities, skills and knowledge from outside the Organization. Knowledge Management emerges here as a modern administrative model to organize knowledge and present it to the various structures, levels, and individuals of the organization in order to exploit it and to raise the organization's creative capabilities. We can think about the tools and solutions that can be provided and may help in the success of efforts to achieve the expected goals of investment in human capital in an effective manner that allows the organization to make optimal use of human development programs of education, training, qualification, and raising the creativity capabilities of individuals. we pose the question of the study's problem as follows:

i. How can the goals of Human Capital investment be achieved by increasing the Organization's Competitiveness based on the solutions provided by Knowledge Management?

• **Study Hypotheses:**

i. Investing in Human Capital is a wise approach followed by modern organizations.

ii. Knowledge Management shares the goals of Human Capital investment in raising the cognitive and creative capabilities of human resources.

iii. Knowledge Management allows for enhancing the organization's cognitive capabilities and provides it with effective tools and an appropriate environment to invest and raise the value of its Human Capital, which increases its competitiveness as a result of embodying new creative ideas produced by the minds of creative individuals.

- **The Objectives of the study:**

- Highlighting the importance of investing in the organization's Human Capital for its development

- Highlighting the steps and ideas presented regarding the aspect of valuing and developing human capital through its investment.

- Explaining the positive results and effective solutions for Human Capital development and the impact of this on the organization's creativity and competitiveness

- Clarifying the pivotal role of Knowledge Management in the success of the steps to raise the value of the head.

- **The importance of the study**

- Clarify the important role of Knowledge Management for achieving the organization's goals by investing in its Human Capital.

- Studying the different basic concepts compose the Knowledge Management and how to apply it (requirements, processes, and strategies.).

- analyzing the modern methods and perspectives of management (based on knowledge)

- **The Plan of Study:**

1. Introduction

2. The nature of knowledge.

3. Foundations and Theories of investing in Human Capital and measuring it.

4. The role of Knowledge Management in achieving the objectives of investment in human capital and the organization's competitiveness.

5. Conclusion.

2- Knowledge Management:

1-1 The nature of Knowledge:

A- **Data:** according to Davenort & Prusak, Data is the collection of unrelated, objective facts about events that describe part of what is happening and do not provide judgments, explanations, or rules for action. (Alyan, 2012, p.37).

B- **Information:** According to Harris & Henderson Information is data that is evaluated, organized, and interpreted in order to be used in the sense that it has meaning that helps transform ideas and opinions into actions that lead to continuous progress. (Ghadban, 2018, p.69)

C- Knowledge: (Table 01)

Table 01: Definition of knowledge according some researchers

Concept of Knowledge	Researcher
It is summarized, directed, organized information, experiences, skills, and a person's feelings. As an early conclusion, it can be said that knowledge is the product of the operations that take place on both data and information.	(Al-jamous, 2013: 41)
It is the direct result of understanding the content of information, which adds value to it and can contribute to increasing the effectiveness of decision-making	(Wen, 2009:363)

Source: Prepared by Researcher.

D- **Wisdom:** Wisdom is the embodiment of intelligence and represents the pinnacle of the cognitive pyramid by confronting the most complex processes practiced by the human mind. (Alyan, 2012, p.70)

1-2 Types of Knowledge (Nonaka model):

A- **Explicit Knowledge:** is formal knowledge and standard that exists in the form of symbols, expressed quantitatively, transferable, teaching and learning, which is represented by intellectual property (Al-jamous, 2013, p. 37-38)

B- Tacit Knowledge: knowledge that cannot be transferred and taught, expressed in qualitative and intuitive ways, and is strongly found in individuals minds and teams within the company. it is difficult to document, explain, and transfer to others. (Al-jamous, 2013, p.38)

3- Knowledge Management:

2-1 The Definition of Knowledge Management: (Table 02)

Table 02: Different definitions of knowledge management

Definition	Ref
It is an entry point for adding or creating value through mixing, composing, or alternating knowledge elements in order to create knowledge combinations that are better than what they are as individual data, information, or knowledge.	(Najm, 2004: 96-97)
It is a set of different, precisely defined approaches and processes for searching for critical positive and negative knowledge, managing it (organizing it), and employing it in various types of activities, defining new strategies and products, improving human resources management, as well as achieving a number of pressing goals.	(Wiig, 1993: 16)

Source: (Prepared by the Researcher)

2. 2 Importance and Objectives of Knowledge Management:

2. -2-1 The importance of Knowledge Management:

- It allows the organization to identify the required knowledge.
- A tool for contemporary institutions to invest their Intellectual Capital.
- It enhances organization's ability to improve its systemic performance.
- It provides the opportunity to obtain a permanent competitive advantage.
- It contributes to maximizing the value itself by focusing on the content.

(Ghadban,2018, p.92)

2-2-2 The Objectives of Knowledge Management:

- Capturing knowledge from its sources, storing it, and then reusing it.
- Attracting intellectual capital to find solutions to organization problems.
- Encourages to share knowledge raising the level of knowledge of others.
- Building learning capabilities, spreading a culture of knowledge,

➤ Transform organizations to knowledge economy. (Al-Kubaisi, 2005, p.44)

2-3 Knowledge Management Application:

2-3-1 Knowledge Management Application requirements:

A- Human Resources: knowledge individuals (managers). knowledge makers and knowledge workers Responsible of generating, preserving, distributing knowledge, Preparing the software. (Al-Malkawi, 2007, p.85)

B- Organizational leadership style: requires an unusual style of leaders (coordinators, trainers and facilitators). (Al-jamous, 2013, p.204), a leader has three basic qualities: the ability to articulate the vision to others and set an example, with the ability to link this vision into more than one content that matters to the organization and through which it works.

C- Organizational Structure: being flexible so that knowledge individuals can unleash their creativity and work freely to discover, generate and share knowledge, as well as identifying and renewing procedures, means, processes to managing knowledge effectively and efficiently. (Al-Malkawi, 2007, p.85)

D- Technology-related infrastructure (technology): requires technology infrastructure the computer and software, search engines, and various related means information technology and systems. (Al-Malkawi, 2007, p.85)

E- Organizational Culture: requires cultural values appropriate to the principle of continuous learning ,that organizational culture includes:

- Team strategy: work teams are a method of working and a means to an end.
- Organizational learning strategy: based on a set of processes and.
- Employee empowerment strategy: independence with responsibility for their actions. (Al-jamous, 2013, p.177-178)

2-3-2 Knowledge Management Processes:

There are four processes that researchers have agreed upon (Al-Kubaisi, 2005):62), and there are two other processes also necessary to according to lot of researcher which are Diagnosis, and Acquisition. (Shahid, 2011, p.29)

A- Diagnosis of Knowledge: work in two directions, the first is to gain internal knowledge, in addition to external sources (Shahid, 2011 p.29).

B- The Acquisition of Knowledge: acquiring knowledge from its various sources may be internal or from external sources. (Hassan, 2008, p.27)

C- Generation: the process of developing new content or replacing existing content involves both implicit and explicit knowledge and can be generated through social and collaborative processes or through individual learning. The model highlights (SECI) To: (i Nonaka & Takeuch). (Al-Nasser, 2014, p.51-52), according to this model (Al-Banna, 2014, p.83) there are four processes:

- **The output:** transformation of Knowledge from implicit to explicit, in which an individual's Knowledge is revealed and becomes available for transfer to others, relying on methods such as discussions, specialized conferences.
- **Uphringing:** It transforms knowledge from tacit to tacit, this is done through electronic meetings, chat, sharing of experiences, dialogue, and meetings.
- **Interconnectedness:** revealed knowledge is communicated on the one hand to others depending on different means of communication.
- **Globalisation:** When the individual obtains knowledge, a new learning process occurs for him, so he retains this information, reinforces it, analyzes it, and links it to his own mental contents. It enabled him to formulate a new and special form of knowledge that he monopolized implicit knowledge.

D- Knowledge Storage: capture knowledge extracted and returned to organizational memory in different written forms, information safe databases,

Human Knowledge stored in Expert Systems, within procedures, processes, and technical knowledge for individuals. Information Technology expand organizational memory. (Hassan, 2008, p.28)

E- Distribution of Knowledge: represents sharing it either implicit or explicit knowledge, especially the implicit knowledge that exists in the minds of individuals, their experiences, and skills. How to transmit it?, represents the greatest concern for the organization. (Al-Batayneh, 2010, p.56)

F- Application of knowledge: Applying knowledge is an essential step. Learning comes through experimentation and application, which improves the level of knowledge and deepens it. (Al-Aali, 2005:45)

3- Human Capital Management and Investment:

3-1 Human capital concept, and its relationship to investment:

3-1-1 The concept of Human Capital: the concept of Human Capital refers to the theory developed by Gray becker in the mid-sixties of the last century, it was beginning for research had reasons for the strong growth achieved appeared during the glorious thirties, where it attributed a large percentage of the successes achieved then to the technical progress taking place at that time, and also to the accumulation of collective and individual skills (Bug, 2017, p.315), as for the meaning of the word capital it translates to capital and has a Latin original caput meaning head, and wealth, authority, prominence, and superiority.

For Schultz Human Capital is: "the result of the interaction of four elements of the historical legacy, education, experiences and attitudes during his life and work.".(Rellid & Othmani,2020, p.04)

Many philosophical approaches defining Human Capital, Agreed on 3 points :

A- Transaction Cost Economics Theory: it assumes the choice of the organization for a method the most efficient to employment of its employees wisdom and consideration, and to measure the company's mission here; either it attracts distinguished individuals or trains, promotes, or transfer those it owns.

B- Human Capital Theory: emphasizes that she evaluates the amount of money invested in human resources by the Company via Comparison With potential returns with condition of best investigation of productivity improvement cases with commitment to providing the best technical and administrative training for employees, to achieve good knowledge building.

C- The Theory of the Firm with a Resource-Based View: It is based on the assumption that core skills are the source for achieving a company's competitive advantage, which are acquired through internal development processes that it undertakes or seeks on its own, and the general technological aspects are acquired or purchased through external supply from the general environment.

By consensus of the three theories, it can be concluded that human capital is the sum of working individuals who possess rare knowledge, skills, and abilities that are valuable to the company in increasing its material and economic wealth..

-Come back Fisher: Human capital is an independent class or category of capital due to the specifics of its relationship to purely economic and productive characteristics.. (Aalla, 2017, p.316)

3.1.2 The importance of Human Capital: (Table 03)

Table 03: importance of Human Capital according to some academics

Researcher & year	Importance
1. Eduinsson 1997	The importance lies in the fact that it reflects the value of the organization through its culture and philosophy.
2. Ulrich 1998	It enables the organization to respond quickly to environmental and organizational changes with the help of technological and cognitive capabilities.
3. Bonits 1998	It is important in the organization's ownership of the knowledge generated from it.
4. Lothgren 1999	His ability to provide new solutions through innovation and participate in achieving the required performance as it is a social ability that works to create interaction and engagement within the organization.
5. 2001 Al-Anari	He participates in managing human thought in record time and with new executive capacity.
6. General 2001 Accounting office	It has great importance in the organization as it determines its nature, has an impact on its ability to perform, and forms its knowledge base.
7. Ang & Chang 2005	Influences creativity, operations, performance and customer.
8. 2005 Youssef	Its importance lies in being a source of competitive advantage.
9. Kullan 2007	Participates in encouraging workers to invent, innovate and create.

Source:(Al-Rubaiwi, 2015,p. 90)

3-1-3 Human Capital Theories:

3- 1- 3-1 Schultz's theory: Its features were clearly defined in the sixties of the last century. He sees economic development as being through investment in Human Capital. He pointed to the knowledge and skills of the individual, which represent one of the forms of investment in Human Capital that can be invested in, and which achieves faster rates of growth than the rates achieved by Physical capital. As he sees it, Human Capital may be one of the most distinctive characteristics of an economic system. Schultz's three basic hypotheses are:

A- Differences in revenues can change according to the difference in the amount of Human Capital invested in individuals

B- Economic growth that is not explained by an increase in material inputs is due to the accumulated stock of Human Capital.

C - Justice in income can be achieved by increasing Human Capital to traditional capital. He focused his attention on education as the investment necessary to develop Human Resources. Accordingly, he called education human capital because it has become part of tomorrow, and he sees the necessity of studying the costs and incomes of the education process, for revenues are particularly necessary because:

- The necessity of lost revenue for the student during the education stage.
- Researchers ignore these lost revenues.

As for the cost of school services, it represents the value of school property used in education, salaries, and materials used in education. He believes that the economic benefit of education does not negate the cultural benefit. Some types of education increase national income by raising individuals' abilities to manage and perform their work. Economic & cultural effects are joint outcomes of education.

3-1-3-2 Becker's Theory (Gary Becker): one of the most important researchers who participated in developing human capital theory. pays attention to the different reasons and forms of investing in migration, education, and health care, and focused his research on training as one of important aspects becomes having clear impact to increase revenues, economic variables and employment. According to Becker there are two types of training:

- **General training:** is the training that increases the marginal productivity of the individual, in the institution that gives him the training.
- **Specialized training:** adds to the marginal productivity of the individual, the institution that you give it training more than her bother. (Zainab Hameed, 2022, p.37-38)

3-1-4 Types of Human Capital:

A- The Distinguished category: represents employees who are bright stars and master minds Then it is difficult to replace them.

B- Newly educated workers: they are in process of learning knowledge and experience to hire them to first time, transfer or promote them.

C- The workers ordinary in their performance and behaviors stability their positions with their organization are that they cannot be dispensed with.

D- Group of stubborn workers, the organization must replace them because they represent a barrier ahead of its development.

Becker separated between human and qualitative capital: the first are workers they are normal who increase in owners' production generally as for the second one, they are those who carry advantages and qualifications they increase the productivity of only those owners of specific specialized companies in distinctive industry computers and airplanes. (Aalla, 2017, p.321)

3-1-5 Dimensions of investment in Human Capital:

A- **Cultural dimension:** society development through Human Capital by increasing the number of educated and qualified, and awareness.

B- **Economic dimension:** education and training of individual are important development programs in the country create economic value.

C- **Social dimension:** education enhances the individual's intellectual capacities and improves behavior to understand community problems.

D- **Scientific dimension:** scientific research, innovation and invention push toward the country's technical progress in various fields.

E- **Security dimension:** education and training of individual preserve them of unemployment and share in security stability in community. (Zainab Hameed, 2022, p.39)

3-1-6 Measuring human capital: the most important measurements as:

- Rate of Studying, - Reading Rate, - University certificates, - invention patented number, - middle studied years in active population.(Zainab Hameed, 2022, p.40)

3-1-6-1 Components of Human Capital:

A- **Knowledge:** everything is implicit or apparent that individuals bring to perform Business Perfectly Or make the right decisions.

B- **Skills:** It is defined as the ability to use one's knowledge effectively.

C- **The Experiences:** It is a major resource for all competing organizations A big part of Duties Work the Employees needs the newest.

D- **Creative Capacity:** creativity Represents New ways to do jobs.

E- **Training capabilities:** provides opportunities for regular collection of Knowledge and increases performance. (Zainab Hameed, 2022, p.40-42)

3-2 Human Capital Management:

3-2-1 The concept of Human Capital Management:

Human Capital management means Management of skills, capabilities and knowledge, attracting and retaining excellent workers with diverse backgrounds, to ensure high performance.(Zainab Hameed, 2022, p.45)

3-2-2 Objectives of Human Capital Management:

A- Managing and maximizing the productivity of individuals as an asset.

B- Achieving increased profitability and success in business.

C- Organizing Human Capital with business needs.

D- Making individuals a resource for competitive advantage.

E- Creating better systems and tools and building marketable capabilities.

F- The organization adopts a commitment to developing the profession.

G- Improving management and leadership, assessing and forecasting requirements and capabilities of workforce. (Zainab Hameed, 2022,P.47)

3-3 Investing in Human Capital:

3-3-1 The concept of investing in Human Capital:

- It is defined as spending on developing human capabilities, skills and talents to enable them increasing their efficiency.(Zainab Hameed, 2022, p.49)

3-3-2 Theories of investment in Human Capital:

3-3-2-1 Investment In Education according to Schultz's Theory:

Schultz sought to search for more feasible explanations to explain the increase in income. He sought to shift caution from merely paying attention to the intangible components of capital to taking into account these less material elements, which are Human Capital. Schultz noticed that researchers neglected human wealth and avoided any systematic examination of that wealth, so He focused his attention on:

Capital investment aimed to the development For economical

Schultz's concept of investment in human capital is a great contribution to the economy. so the necessity to take in consideration that individual's skills, abilities, and knowledge are a type of capital that can be invested in.

According to Schultz's opinion, this is the only types of capital investment that has achieved faster levels of growth in Western societies than investment in core capital. Material, and the growth of human capital can be one of the best distinguishing features of the economic system. Schultz built his concept of human capital on three main assumptions:

A- Economic growth was explained by the increase in material inputs, due to the increase in the accumulated stock of Human Capital.

B- Explains the difference in revenues depends on capital invested on individuals.

C- Income equity can be achieved by increasing the ratio of Human Capital to traditional capital.

Schultz focused his attention on the education process, because it is considered an important and necessary investment for the development of Human Resources, in addition to representing a type of capital. Hence, education is called Human Capital as long as it becomes part of the individual who receives it. Since this part has become part of the individual himself, it cannot be traded, i.e. sold, bought, or treated as a right owned by the institution. Despite this education is considered as a type of capital because it can achieve A productive service that contains dynamic economic value. (Zainab Hameed, 2022,P.50)

3-3-2-2 Investing in training according to Becker's Theory:

Becker is considered one of the most important economists or those who participated in developing the theory of human capital. Many books appeared after he published his book, Human Capital, in the year 1964 Baker focused on studying activities affecting material and non-material income, by increasing resources in Human Capital, where he began to pay attention to studying the various forms of human investment. Becker (1993) From education, immigration and health care, with great interest in his research in particular on training, which can be like investing in a person and his intelligence, placing him at the root of the process of change, and this situation also places new tasks on him, so he deals with training with the logic of investment, which is Of course what keeps us coming back To the economic concept of investment, which is characterized as:

A- Spending increases productivity.

B- Spending accumulates represents capital to be owned in future production.

C- Expenditure that has an intrinsic value that is transferable to the market.
(Zainab Hameed,2022,p.51)

3. 3. 3 Elements of Human Capital investment (Iothgren 1999):.

A- **Innovation:** It means the ability to provide new solutions instead of traditional methods on an on-going basis..

B- **Literal ability:** It is the level of education and experience that workers possess. And Knowledge used to perform work.

C- **The Social ability :**It is the ability to interact and associate with others.

Organizations that want to achieve competitive capabilities in investing in Human Capital elements must pay attention to: A- Knowledge of employees, B- Experience of employees, C- Skill of workers, D- Employee morale.

D- **Innovation and innovation for employees:** it reflects the extent of improvements in services and products. (Zainab Hameed,2022,p.52-53)

3. 3. 5 Determinants of investment in Human Capital:

1st/ **Planning:** It lays the foundation for building a human being, and knowing his requirements and needs for skills, professional and scientific knowledge, means of meeting those needs over certain periods of time.

2nd/ **Employment:** By making available job opportunities for Human Resources that have been qualified through education and training programs.

3rd/ **Development:** This element represents the selection the frame The organizational and executive framework that achieves the goals that are placed at the center of planning and program implementation, through which educational and training institutions are provided to work on the steps of Human Resources development. (Zeinab Hameed, 2022,P.54-55)

4- The role of Knowledge Management in achieving the Objectives of investment in Human Capital and the Organization's Competitiveness:

4-1 The role Of Knowledge in investing in Human Capital:

The process of investing in Human Capital means that the institution is undertaking the process of developing and developing the capabilities of its individuals, through training, education and training processes, as well as through skills acquired during work. Investment in Human Capital aims to Obtaining income greater than the costs required and carried out by either the individual him self (Basic training, experience, and training outside the profession performed) or The institution does this through continuous training. The information that an individual possesses and the extent of his willingness to involve others in it is the basis for creating added value, in addition to the role of management in committing to providing all data and information to its Human Resources and training them to use it and transform it into innovative solutions and ideas. The competencies obtained in the end may be general so that they can be used in any An institution or private institution that leads to the creation of special qualification, that is, the sum of capabilities that are developed in the institution to which the individual belongs, and thus the institution's possession of intellectual energies represented in the added value that the institution extracts from its Human Capital. (Aalla, 2017, p. 330)

4-2 The Human Element as a fundamental determinant of competitive advantage:

Until recently, the prevailing belief was that wealth consisted of tangible assets such as land, buildings, or equipment only, and no one thought about it. There is no doubt about the extent of the influence of the human element on the creation of these wealth, but with the entry of the knowledge era, the human

element became the real influence on the success of organizations, and traditional economic concepts changed and new economic concepts that depend on knowledge began to emerge. Paying attention to the human element, along with the organization's capital assets, leads to an increase in the value of the final product. It has become clear that just as capital increases through investment, Human resources increase through human investment.

The human element, represented by human resources, is considered one of the most important factors responsible for an organization's competitive advantage and success in a Penetrating global markets. Neglecting this element and not developing and motivating it and providing a work environment that has a positive impact on its morale would cause the organization to suffer various and heavy losses. Thus, the loss of human resources or poor performance, due to the ineffectiveness of the approved management methods despite the adequacy of financial resources, is a major reason for the failure of the organization's strategies and policies. Competitiveness has become smart minds represented by the totality of knowledge, skills and capabilities possessed by Human Resources qualified for creativity and innovation. And For comprehensive quality that It is the new source of competitive advantage. (Aalla, 2017, p. 331)

4-3 Training and motivating Human Resource for competitive advantage based on Innovation and Creativity:

Investing in human capital aims to increase efficiency and creativity, and this leads to achieving excellence, as follows:

4-3-1 The importance of investing in Human Resources:

✓ Increasing the ability of Human Resources to plan effectively and link them to achieving goals. The strategy For the institution.

✓ Increasing the effectiveness efficiency of human resources development strategies, leading to serious exploitation of various capabilities and skills and investing them in the process of creativity, development, and change management to raise the organization's competitiveness.

3-3-2 The role of organizational creativity in creating competitive advantage under knowledge management:

Creativity is considered one of the pillars of competitiveness, which is based on providing the new and achieving added value, which serves and satisfies the required and expected needs and desires of customers. And Achieving excellence that ensures organizations excellence and leadership.

3. 3. 2. 1 Innovation and Creativity Training and the appreciation of Human Capital value:

Focusing on continuing vocational training that takes place within organizations, partially or completely, by employers, training has a very important role in valuing the capabilities of individuals, developing their spirit of Innovation and Creativity, and opening new intellectual horizons that go beyond the boundaries familiar to individuals. In addition to that, creating the appropriate organizational environment provided by knowledge management, the requirements for its application is the flexible organizational structure that gives more freedom in presenting new ideas and benefiting from them. Through an embodiment of the reality, which is useful in achieving a competitive advantage for the organization that is difficult to imitate because it is based on the creativity of individuals and groups within the organization, and this would make its human resources, especially the distinguished ones, a valuable resource and one of the core assets of the organization through which it creates leadership and excellence

and maintains its competitiveness and survival. In light of changes in the environment, near and far. (Zainab Hameed, 2022,P.56)

5. Conclusion :

This study demonstrated, through all of the above, the most important concepts and functions that fall within the framework of Human capital and investment in it, as well as Knowledge Management and how to get there achieving the goals of investment in Human Capital by relying on the tools and environment provided by the application of Knowledge Management and the relationship of this to raising the competitiveness of the organization, which is the fundamental goal of investment in Human Capital. By increasing Innovation among individuals and organizational groups within the organization. organization objectives through its Human Capital are itersected with Knowledge Management objectives within the Organization's Management System by establishing a Knowledge Management System that leads to creativity and innovation, which would be the incubator through which the efforts of the organization and individuals come together to develop its Intellectual Capital and the human being by enabling the organization with a system for the tight management of its Human Resources through which the organization and individuals achieve leadership and it gives it an effective weapon to distinguish itself and ensure survival in the face of challenges resulting from changes in the internal and external environment. Accordingly, we can include the results and recommendations of the study:

The results of study:

through this study, we reached the following results:

In terms of answering the main question:

- ❖ TWe have achieved proof of the validity of the main hypothesis:

- Knowledge management allows for enhancing the organization's cognitive capabilities and gives it effective tools and an environment suitable for the endeavor to invest and raise the value of its human capital, which increases its competitiveness as a result of the creative solutions of the minds of creative individuals.

❖ We also demonstrated the validity of the secondary hypotheses.

Investing in human capital approach is followed by modern organizations.

- Knowledge management shares the goals of human capital investment in raising the cognitive and creative capabilities of human resources.

- Knowledge management allows enhancing the organization's cognitive capabilities and provides tools and an appropriate environment to invest and raise the value of its human capital, which increases its competitiveness through developing creativity, cognitive and technical capabilities, and acquiring new experiences.

❖ We also reached other additional results, including:

- Human resources management changed by the change of economy.

- Intellectual and human capital in particular represents the real wealth.

- The application of knowledge management by the Organization is the best tool for achieving the organization's integration into the knowledge.

- Communication technologies are essential in training for human resources.

❖ **Suggestions and recommendations:**

➤ Pay more attention For investment In human capital and its development.

➤ Applying knowledge management to raise the cognitive capabilities.

➤ Introducing modern technology within the framework of its development.

➤ Increased support to human worker to raise his innovation capabilities.

- Benefiting from creative individuals by supporting them their ideas.
- Training individuals on Latest technologies, skills in a creative way.

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