

Challenges of Human Capital Formation in Bihar

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Human capital is one of the three primary components of intellectual capital. Human capital is the value that the employees of a business provide through the application of skills, know-how and expertise. It is an organization's combined human capability for solving business problems. Human capital is inherent in people and cannot be owned by an organization. Therefore, human capital leaves an organization when people leave. Human capital also encompasses how effectively an organization uses its people resources as measured by creativity and innovation. A company's reputation as an employer affects the human capital it draws. The concept of human capital can be infinitely elastic, including immeasurable variables such as personal character or connections with insiders. This theory has had a significant share of study in the field proving that wages can be higher for employees on aspects other than human capital.