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## **Editorial: Investing in human capital for a transition to green and inclusive economies**

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### **1 Introduction**

Nowadays, the world is more interconnected and the coronavirus outbreak showed clearly the risks of global interconnectedness. The coronavirus pandemic caused global disruption in society and economy in the last months. The impact of tight restrictions on citizen's mobility generated important economic damages, creating the biggest economic shock in many decades. According to the European Commission (2020a), it is projected that "the euro area economy will contract by 7.8% in 2020 before growing 4.2% in 2021 and 3% in 2022. The forecast projects that the EU economy will contract by 7.4% in 2020 before recovering with growth of 4.1% in 2021 and 3% in 2022".

Human capital suffers from this health crisis due to the closure of schools and companies during the lockdowns in 2020 and may suffer more erosion if new mobility restrictions or lockdowns are reintroduced in 2021. The covid-19 also caused a decline in international student mobility around the globe impacting negatively their opportunities to enter the labour market after they finish their studies.

Education policy makers and educational institutions need to invest resources so that teachers can master digital skills and competences and also to use information technologies to create learning environments that provide solutions for schools and universities (Lytras and Ordóñez de Pablos, 2008; Zhang et al., 2012; Xi et al., 2014).

The European Commission (2020b) proposed the Digital Education Action Plan (2021–2027) which has two strategic priorities: "a) fostering the development of a high-performing digital education ecosystem, and b) enhancing digital skills and competences for the digital transformation". This plan highlights the relevance of mastering, among others, digital competences and transversal skills (European Commission, 2020c).

Governments need to urgently mitigate the awful health and economic consequences of the coronavirus pandemic, relief citizens and economic sectors especially damaged and avoid deep recessions in the coming years. Companies and economies need to reset as soon as possible and shift towards more inclusive and greener economies.

In the last years, many empirical studies show the relation between intellectual capital and organisational performance in different economic sectors (Gopal and Goswami, 2020; Oewarno and Tjahjadi, 2020; Ordóñez de Pablos and Edvinsson, 2020; Thi Hoang

et al., 2020). Companies and governments need to invest in this strategic resource to reset after the covid-crisis and shift towards more sustainability growth.

## 2 Contents of the issue

The second issue of 2021 presents a collection of five papers addressing key topics for competitiveness, resilience and sustainability of companies and economies, from human capital and training, human resources practices and commitment to intellectual capital and financial performance. They are focused on China, Ethiopia, Indonesia and Thailand.

The first paper of the issue, titled ‘Human capital in a training programme’ (by Wisawapaisarn and Yodmongkol) presents the results of a study focused on

“measuring human capital in a training programme in a monetary value within an organisation that implemented an electronic trial master file (eTMF). The participants comprised 25 employees in the programme, which had three phases. The required variables included the cost of the training, salary, hours utilised in the programme, and percentage of time spent on the eTMF. The proportion of the competency and performance was collected and calculated based on the proposed approach and formula. The results provided the human capital in the programme in monetary values comprising the investments and benefits, which most values were intangible. Contrastingly, investments were the training and opportunity costs, and the benefits were value-added in the competencies and performances required for the eTMF. This case could determine the human capital and evaluate the effectiveness of the programme by comparing the investments and benefits”.

The second paper, titled ‘Determinants of market to book value and financial performance of Chinese listed firms: implication of MVAIC model’ (by Majumder, Appiah and Cardorel),

“measures the efficiency of intellectual capital along with its components by using modified value-added intellectual coefficient (MVAIC) and to find its impact on the market as well as financial performance of firms in China. This tool is the modified form of Pulics’ VAIC tool which is widely used in numerous studies worldwide in order to find empirical evidence between the relations among intellectual capital with firms’ market value. MVAIC is adopted in this study for the very first time in China which is the unique point of this study. The research used a sample of 14 firms for a period of ten years (2009 to 2018). The firm size (total assets) was used as a control variable. The tools of analysis included ANOVA, and multiple regressions using SPSS. Results indicate that Intellectual Capital has an insignificant positive relationship with the market value and firm’s financial performance. Among the intellectual capital components, only capital employed and human capital had a positive and significant relationship with the firm’s financial performance and market values. Structural capital and relational capital had a negative and insignificant relationship with firm’s financial performance and market values. The results show that cement industry have a different relationship between intellectual capital and market value and financial performance as compared to other sectors of the economy. This research is of enormous importance that can help CEOs, managers, shareholders as well as investors to analyze firms’ performance and to obtain information that is explicitly missing in the financial reports of the firms”.

The third paper, titled ‘Does work-life balance mediate the relationship between HR practices and affective organisational commitment? Perspective of a telecommunication industry in Indonesia’ (by Luturlean, Prasetyo, Anggadwita and Hanura), explores

“the moderating role of work-life balance in the relationship between HR practices and affective organisational commitment. This study uses a quantitative method with a survey approach. Questionnaires were distributed to employees working in the telecommunications industry in Indonesia using random sampling techniques. A total of 363 respondents participated in filling out the questionnaire. This study found a significant effect of HR practices on work-life balance and affective organisational commitment of employees in the telecommunications industry. In addition, work-life balance has been proven to mediate the relationship between HR practices and affective organisational commitment. Research findings show that the telecommunications industry has maintained and improved effective HR practices to help employees achieve work-life balance. A conducive and supportive work environment will be embedded in an individuals mindset, thus they feel a stronger emotional attachment to the organisation. The implications of this study will be discussed further”.

The fourth paper, titled ‘Determinants of academic staffs’ participation in research activities in Ethiopian universities’ (by Pandey, Shanko, Birru, Jain and Kargeti), addresses the promotion of

“the knowledge creation activities for the under developing countries like Ethiopia, which is the need of the hour. Faculty members’ participation in research not only helps in improving the quality of faculty members but also improves the quality of the institute. In this paper, the authors use survey data from Wollega University to understand the factors hindering the research participation decision of faculty members at the university level. This survey tries to analyze the determinants of participation of academic staff in Wollega University. The logit model was used for analyzing the data. Authors conclude that availability of publication incentives, work experience, speed of internet, accessibility to research funds and colleague collaboration on research participation all enhance the probability of academic staff’s research participation while teaching load is negatively related to the probability of academic staff’s research participation in the study area”.

Finally, the fifth and last paper of the issue, titled ‘A value-added view of intellectual capital and financial performance in knowledge management: a case of Chinese insurance companies’ (Ren, Ting and Kweh), proposes that

“intellectual capital (IC) has a strong linkage to knowledge management thus influencing financial performance. Using resource-based view theory, this paper aims to explore the relationships between intellectual capital and financial performance based on the data of 220 Chinese insurance companies listed in China Insurance Yearbook, from 2008 to 2017. Our study is robust for using value-added intellectual coefficient (VAICTM) and ratios as the proxies of IC, as well as return on assets and return on equities as the proxies of financial performance. Panel data regression and ordinary least squares are applied to analyse the data. Apart from the popular direct effect, we also find significant positive (negative) effects of increasing (decreasing) IC on increasing (decreasing) financial performance. However, we find no dynamic relationship between IC and financial performance. This paper provides scholars and practitioners with new perspectives on IC learning and management”.

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