

## Human Capital Sustainability and Organizational Performance: The Case of a Travel Agency

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### Abstract

The tourism industry in the Middle East plays a critical role in maintaining and energizing countries' economic status. It has a major element in facing numerous human capital obstacles that are deepening its development. This paper seeks to explore how the enhancement of human capital in a travel agency can have a significant positive impact on its performance, by studying the importance and consequences of the enhancement of human capital to improve specifically a travel agency's performance. This research aims to identify and remedy the delinquencies in the enterprise's human capital that are obstructing its growth performance. We utilized the socio-economic methodology, which is a mix of qualitative, quantitative, and financial approaches, to remediate the organizational transition from within the travel agency at all stages and with the participation of all the members in the enterprise. The research study focuses on human capital dimensions across metrics for maximizing performance effectiveness that endorsed our hypothesis: "Enhancement of human capital improves travel agency firm's performance". The results of this intervention research add to the literature of the human capital variable of intellectual capital theory, which previous authors did not explore, by providing considerable contributions to the field of intellectual capital in a specific set of metrics. It demonstrated a positive impact on the travel agency firm's performance through the enhancement of Human capital through time management, sales activity, marketing, and communication skills enhancement.

**Keywords:** Socio-Economic, Intervention Research, Intellectual Capital, Human Capital, Organizational Performance.

### I. Introduction

The main factor of the tourism industry in the Middle East is that it is faced with many challenges daunting its expansion. Such underpinnings are exemplified by a deep connection between the need to satisfy the market demand and the firm's human capital with their ability to tackle and express such standards that would ultimately influence the firm's performance. Tourism and major travel agencies overall are now susceptible to a complex, forceful and unpredictable professional workplace (Quintana et al., 2016). The intervention researcher further recognizes that the lack of knowledge and experience is perceived as the key issue and complete lack of knowledge and effectiveness. It's evident that tourism is also viewed as the world's most important industry (Sharpley et al., 2002). Tourism is a conventional business market (Lickorish & Jenkins, 1997), where most countries rely on their earnings (Jayapalan, 2001). Tourism seems to be an important economic and social trend all over the world (Pearce & Butter, 1999). In the late 1980s, economic planning became a strategy for general training and tourism research studies (Zhenhua, 2003).

Enhancement of performance and intense global rivalry enable travel agencies worldwide to take on daunting challenges of maintaining business stability. The Lebanese travel agency, our field of research

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intervention, was forced to negotiate on enhancement to ensure the profitability of its company. Yet budget pressures and long-term market stability have had some detrimental consequences. In addition, the management is deeply committed to preserving the market progression by its determination to the highest quality levels, through addressing numerous obstacles that place the company under pressure. The staff has also been under pressure to accomplish this objective with the challenge of sustained performance.

Many businesses will therefore aim to build their strategic edge so that they can thrive and stay ahead of the competition. Thanks to their major positive impact on organizational performance (Alrowwad et al., 2020, Braendle et al., 2017, Edvinsson & Malone 1997), market leaders become very familiar with intangible assets, particularly intellectual capital, in the current dynamic corporate climate. Edvinsson and Malone (1997) define intellectual capital as an operating framework, skillsets for staff, expertise, and information, as well as intellectual capital-generating partnerships with customers. As for the purpose of this intervention study, the intervener focused only on human capital from three main classifiers of the parameters of intellectual capital: human, structural, and social capital as per the following researchers: Subramaniam and Youndt, (2005), Youndt and Snell, (2004), and Youndt et al., (2004). Intellectual capital's three pillars contain employees' expertise, proficient knowledge, and technological proficiencies, in addition to relationship-building capabilities between and among internal and external stakeholders (Liu et al., 2020, Rodrigues et al., 2017). According to academics, the growth of human capital in this knowledge economy would increase creativity and productivity considerably (Wang & Chang, 2005; Youndt & Snell, 2004). In addition, human capital is associated with the employee's factors, such as motivation, commitment, and skill (Lo & Chen, 2020). If the human capital pillar is not strong and agile enough to keep pace with the evolution required in the industry, the company could see its product sales and sales velocity deteriorate very fast (Balian et al., 2020). Human Capital inspects gaging firm's staff cognitions (Enrique & Joel, 2020). A worldwide view of travel agencies reveals that a focus of every agency, which gives market stability, a strong reputation, and opportunities for long-term growth, is represented by every travel agent's mindset toward work and job performance (Misoc, 2018). In addition, Misoc (2018), argued that travel agency human capital may ensure its success or collapse. Misoc (2018), research is based on the job satisfaction of travel agent employees, which the author agrees with its outcome. Weerasinghe (2017), argues that to retain staff, in a travel agency, enterprises could provide functional and powerful training and improvement programs for executive and non-managerial personnel. The intervener researcher believes that the literature presents void spots for studying the impact of human capital on the performance of travel agency enterprises.

The framework of this paper will help determine the effect of human capital enhancement effect of travel agency performance, in terms of improvement in time management, sales activities, marketing, and communication skills enhancement. This research aims to contribute to the human capital literature which is a variable of an intellectual capital realm. This intervention study performs a mixture of qualitative, quantitative, and financial analyses on the impact of human capital enhancement on the increased performance of travel agencies. The paper strives to enhance the ability of all firm members, to develop relevant skills and information to perform their everyday tasks. The effect of gaining a strategic edge in the travel agency can be explained by introducing a new enhancement in its human capital. The intervener researcher believes that the available literature presents void spots in terms of the present research setting, to study the impact of human capital on the performance of travel agency enterprises.

## Research field and its challenges

The site of intervention for this research is a Lebanese travel agency that acts as a supplier to the local retail market which represents its strongest value proposition, efficiency, and price mix. This local travel agency is a profitable enterprise registered in 2004. It has eight employees in total and comprises five particular divisions 1) Executive Management, 2) Finance and Accounting, 3) Sales, 4) Ticketing, and 5) Delivery. Many supervisors' divisions do not understand the significance of their divisions' relevance. Especially where those divisions specifically impact the continuation of financial and economic activity of the enterprise. However, within each travel agency company, the sales and ticketing departments are called the most dynamic and critical divisions. These two divisions interact with lots of internal and external stakeholders on a daily basis with the intention of developing a good partnership and driving sustainable revenues. Furthermore, no organization can work efficiently without strong executive management, strategy, and training development plans. Therefore, in gaining new skills and abilities all workers need to maximize the standard of professionalism and competencies. Executive management is also required to handle, oversee and sustain the current workforce. Yet small companies cannot afford to create a department of human resources with viable expenditures and skills. Thus, through small conventional companies, managers do not see human capital as an important and aggressive element in fostering and improving productivity and performance.

This investigated travel agency enterprise encountered numerous micro-environmental challenges which have slowed its growth and performance because of its weak human capital platform. The expertise of the company is not refined as they lack modern internet marketing strategies, which gives way to rivalry and

eventually loses profits. It lacks ticketing expertise to be fast and reliable to support the sales department in terms of pricing, packages, and reservations. The communication flow between departments is not smooth and constructive. Communication with clients through emails is not much developed and used efficiently. The suppliers' variety of the travel agency is not wide enough to cater to all their client's inquiries. The sales of travel packages are very shy of what they should be in this industry. There was a lot of time wasted on non-productivity by staff members and or just wasting time. These deficiencies in the company's human capital platform have created a lot of hidden costs in the company's operation and ultimately have encouraged the executive management to embrace this intervention research.

## Research question and hypothesis

The present problem of this intervention study is about the delinquencies in the enterprise human capital that are obstructing its growth performance. For this research paper, the research question is as follows: "how can the enhancement of human capital help to improve the travel agency firm's performance?"

For this research study, the hypothesis defines the vigorousness of the intervention investigation and interprets the approach proposed in the empirical review within the systemic structure of the enterprise as follows: "Enhancement of human capital improves travel agency firm's performance".

The remainder of the article is structured according to this. We study the literature framework in section 2. The methodology is discussed in section 3. Findings and discussion are presented in Section 4, and we conclude in section 5.

## II. Literature Framework

The intervention researcher has taken the relative literature from the mentioned hypothesis which delivers the basis for literature consultation and illustrations of this research study. Many academic authors such as Bontis (1996), Brooking (1996), Edvinsson and Malone (1997), Stewart (1997), Youndt (2004), Youndt et al. (2004), Youndt and Snell (2004), Oliveira et al. (2020) established contributions to the field of intellectual capital and its major positive impact on organizational performance. Additionally, the advantageous effect of enhancing intellectual capital on organizational proficiency differs from market share, operating profitability, financial ratios, and valuation of the enterprise.

One feature of intellectual capital is that it can be identified as all intangible assets and resources, such as know-how, technical skills, and knowledge, manufacturing and customer relations, internal and external sharing of information, laws, records, trademarks, organizational frameworks, manuals, operating processes that are effectively used to generate economic value (MacCarthy & Amoasi-Andoh, 2020). Stewart (1997) described intellectual capital as information, intellectual property, technical expertise, skills, main strategies, relationships with customers, and experience that can be used to make the business wealthier (Stewart, 1997). Moreover, an alternative definition is that intellectual capital is the amount of all knowledge-intelligence firms used for strategic advantage (Singh et al., 2021; Subramaniam & Youndt, 2005). Bontis (2001) and Wang and Chang (2005) claim that intellectual capital is the principal engine of the business. Moreover, organizations with solid intangible capital and competencies shall improve the ability to make most of the market opportunities and increase organizational performance (Al-Duhouri et al., 2020; Al Khayyal et al., 2020; Alameeri et al., 2020). In fact, we infer that the different findings reported are very similar and express more or less the same thoughts but with different terminologies. The major criterion identified by the leading academics was the three-variable classification of intellectual capital. The Intellectual Capital variables are classified as human, structural, and social capital. In the next paragraph, we'll just establish, discuss and illustrate the human capital variable for the framework and importance of this intervention research.

Many leading academic authors contributed and developed intellectual capital and its human capital variables such as Bontis (1998), Stewart (1997), Edvinsson and Malone (1997), and Youndt and Snell (2004). In the field of intellectual capital, there is a shared consensus among scholars about the fundamental nature of the concept of human capital. They characterize human capital as the information, know-how, experience, education degree, expertise, abilities, and characteristics of the workers (Rodrigues et al., 2017; Bontis, 1998; Dzikowski, 2000; Edvinsson and Malone, 1997; Roos and Roos, 1997; Stewart, 1997; Bontis et al., 2000). The author, as a practitioner in the field of intellectual capital, agrees that specific abilities, skills, expertise that is embedded or acquired in person represent the human capital of an organization that helps propel the operation toward organizational objectives. In addition, human capital is the wisdom and expertise of the overall members of the business (Bontis, 1998); in addition, Bontis et al. (2000) expanded the human capital definition to include the personal knowledge resource of an organization and is represented by its actors attached to its holder. Other academics have expanded the concept to include other characteristics such as maturity, values, behaviors, talents, creativity, cognitive ability, inspiring, analytical strength, relationships, risk-taking tendency, organizational skills, and proactivity of members of the organization (Youndt & Snell, 2004; Wu et al., 2007; Hsu & Fang, 2009).

Other researchers have expanded the concept to include other aspects such as those previously mentioned; further elements of human capital are such as emotional intelligence, versatility, personnel trustworthiness, diversity of participants, creativity, professional skills, and behavioral control (Cricelli et al., 2014). Other researchers have found out that human capital is neither purchased by the organization nor obtained like other resources (e.g. facilities and technology) held by the enterprise; thus, human capital will leave the enterprise as workers leave (Brymer et al., 2014). This is very true, from the author's perspective, if the human capital skills and capabilities are not transferred to another capable person in the organization, the human capital will leave the company when the employee leaves. Human capital is an enterprise's capital that originates from experienced staff (who have talent, knowledge, and know-how); and their competencies can be grown to achieve the enterprise's objectives (Sandri & Widodo, 2020). In addition, human capital is regarded as one of the most valuable resources for an enterprise, and the degree of difference between enterprises in human capital has been related to competitive advantage (Reed et al., 2006). Variations in the success of businesses are illustrated by various influences in the same line of thought, and human capital ideally reflects the performance (McDowell et al., 2018; Vargas et al., 2016; Youndt & Snell, 2004). This is in conjunction with the author's many research interventions on human capital in organizations. Once there is a solid human capital foundation in an organization it reflects positively on the organization's performance. This holds true with many scholars' findings such as Sandri and Widodo (2020), Balian et al. (2020), Rodrigues et al. (2017), Braendle et al. (2017), Bontis (1998), Dzinkowski (2000), Edvinsson and Malone (1997), Roos and Roos (1997), Stewart (1997) and Bontis et al., (2000). Consequently, more efforts need to be invested to help the highly skilled, motivated, and respected human capital while deciding the future path of the company (Ibarra Cisneros & Hernandez-Perlines, 2018). For the purposes of this study, we have opted to take the elongated meaning of our aspect of human capital as per scholars who have embarked on a wider concept of human capital to include other traits such as maturity, values, behaviors, talents, creativity, cognitive ability, inspiring, analytical strength, relationships, risk-taking tendency, organizational skills and proactivity of members of the organization (Youndt & Snell, 2004; Wu et al., 2007; Hsu & Fang, 2009).

From the perspective of literature, we address the connection between the core elements of our research in the tourism industry, and specifically in the Middle East, where such a sector is threatened with many difficulties that prevent it from growing and performing. Such underpinnings are highlighted by a close bond between the need to enhance human capital capabilities with their capacity to control and formulate such aspirations that would ultimately impact corporate performance itself. Tourism and main travel agencies are now typically subject to a difficult and complicated, assertive, and ambiguous workplace environment (Quintana et al., 2016). It's evident that tourism is also viewed as the world's most important industry. (Sharpley et al., 2002) Tourism is a conventional business market (Lickorish & Jenkins, 1997), in which most countries rely on their sales (Jayapalan, 2001). Tourism seems to be an important economic and social trend all over the world (Pearce & Butter, 1999). Towards the end of the 1980s, economic planning became a strategy for general training and tourism research studies (Zhenhua, 2003). It offers programs and measures that meet customers' expectations (Bzazo et al., 2017). In the following sub-section, the author will discuss the challenges in a travel agency. The intervener researcher believes that the available literature presents void spots in terms of the present research setting, to study the impact of human capital on the performance of travel agency enterprises.

## Human Capital Challenges in a Travel Agency

The tourism and travel agency industry evolves rapidly in the world. Therefore, the human capital pillar of an enterprise has to have a strong bedrock for the enterprise to flourish in this industry. We will discuss the human capital difficulties that travel agency companies encounter in their operation and clarify their impact on the business performance.

A travel agency company's core operation activity is to provide new improved and innovative online and offline marketing methods and tactics capable of quickly adapting to the increasingly changing climate in the tourism industry. If the foundation of human capital is not robust and flexible enough to keep pace with the changes expected in the market, the business may see its packages and ticket revenues declining quite rapidly. This in return contributes to increased pressure being put on operational costs. The Company's cash flow and financial stability and viability could be at risk. Thus, well-trained, competent, and innovative agility of the human capital of a travel agency enterprise will lessen the hidden costs of this key element of this necessary business operation.

Some other element which needs to be powerful in a travel agency enterprise is the capability and ability of its human capital to interact and communicate accurately and efficiently with all related business stakeholders through emails, telephone and face to face. The internal communication should be very flexible, transparent, constructive, and consistent with the enterprise's communication process to minimize miscommunication and confusion that could adversely impact the company's sales and income. Staff members can meet face to face, by phone or email; in addition, contact with clients is conducted by the three mentioned methods, which the employee should be able to discuss, reach a deal, and leave positive constructive feedback to and from the client. Therefore,

it is very important to have the enterprise skills of the employees strengthened to satisfy the needs of the industry, which would minimize hidden costs and activity hiccups to operate smoothly.

In addition, the human capital, the players of the business, should have the right mindset and control actions in line with this industry. For instance, problems that are posed almost every day should be proactive in the mindset and actions of the company's players to find the most viable response and solution which will minimize the business' hidden costs.

This other challenge for travel agency enterprises is to have the expertise required to pick and construct their packages line-up dynamically for promoting them that suit the company's overall mission and strategy. The selection of tourism and travel services for launch is extremely critical because it determines the company's survivability and profitability. Due to the client perspective demand is changing dramatically rapidly and competition for goods is growing quite rapidly. Consequently, solid human capital expertise required in the sector will very well overcome these above obstacles and promote profitability and performance for companies.

All the challenges detailed just above discuss the complexities of human capital and highlight the key difficulties confronting a travel agency business due to inadequate human capital. A confirmation of the hypothesis "Enhancement of human capital improves travel agency firm's performance" from a literature standpoint is thus provided below. In assessing intervention and validating the theory, the validity of the latter from the intervention field data analysis will be discussed and presented in a later section "Outcomes Assessment". There are a couple of key ideas spawned through the implementation of this research intervention which are expressed as follows: For new packages and service enhancement, launching a requisite employees' capability enhancement is needed. From a literature viewpoint, the hypothesis is confirmed as follows: Key success factors for new service and product growth. For example, some key elements of performance include: (1) the enterprise must have a high-quality diversified travel packages and services process and produce new client-orientated products and services; (2) the enterprise must be in a position to identify its new products and services plan, including its priorities, objectives and strategic priority areas (Hsu & Fang, 2009). Furthermore, scholars argued that the effective use of individual resources, knowledge, and staff capacities has a positive and practical operational effect on performance (McDowell et al., 2018; Wang et al., 2014).

The second key idea formed is: The sales and ticketing staff members need skill enhancement. From the point of view of literature, this hypothesis is confirmed as follows: the enhancement in human capital has a significant effect on organizational performance. The enhancement of human capital is indisputably important in a competitive business environment (Waseem et al., 2018). In addition, the significant positive correlation between human capital and the performance of companies is well recorded (Bontis et al., 2000).

The third key idea developed is: Competency improvement is required for particular activities in the required tasks of the organization. From the point of view of the literature, this hypothesis is confirmed as follows: there is a significant correlation between human capital and enterprise performance. Effective human capital would therefore increase the efficiency and performance of the company (Gogan et al., 2016). Furthermore, to play a significant role in the success of an enterprise, investing in recruitment and capacity acquisition is important for human capital or the use of the global outsourced labor force (Youndt et al., 2004).

### III. Methodology

The Socio-Economic Approach to Management (SEAM) methodology is used to carry out this intervention research. It is defined as a business and management transformation process built at ISEOR in Lyon, France, taking into account both the social and economic facets of the enterprise. For the interdisciplinary analysis of observed social phenomena, particularly in enterprises, the author proposed the SEAM model (Savall & Zardet, 2014). The SEAM approach integrates the combination of qualitative, quantitative, and financial results. This intervention research intends to promote the transformation within the organization to competitive resilience to thrive; and to induce effective, innovative organizational tactical potential by continuously improving firm resources. The SEAM model, which turns enterprise-critical factors and issues into opportunities, adopts constructive strategic analysis, facilitates changes within the enterprise, and successfully integrates all the participation of the company's players to ensure total truthfulness and trustworthiness of the outcome. It consists of four key stages: diagnosis, initiative, execution, and assessment which we will explain their application in the intervention research field in the below section.

#### Methodology Implementation

##### The diagnosis phase

We conferred for the executive management full details of the SEAM methodology deployment processes to be implemented. Data collection enables the organization to acknowledge other perspectives and implement different notions to solve the root causes of the current environment's potential dysfunctions. We started with semi-

structured interviews regarding the confidentiality of the information obtained and travel agency identity in the research, recognizing and assessment of dysfunctions. In fact, through interviews, we planned on the effect and value of both testimonies, the disclosure from multiple perspectives of various and complex dysfunctions. That is why we played a key role in listening very carefully and asking questions. For that instance we have created and guided the interview protocol as follows:

- Unbiased work expectations tasks and flow
- The topic and purpose of the interview are easily described and codified.
- Answering every query to break the ice and put at ease the interviewed person.
- Approximate one hour for each semi-structured interview.

Eight semi-structured interviews were conducted by quoting and clarifying the root causes of the enterprise dysfunctions from the perspective of all employees. We started the interview by directing with a specific question for example: "In your opinion what is the cause that weakens the travel agency 's effectiveness and flexibility". The six dysfunction group is guaranteed by a clear defined guide (working conditions, organization of work, coordination of communication, time management, integrated training, and strategic implementation). The interview process took approximately 10 days to conclude. Afterward, we have classified the gathered information into the SEAM six dysfunction themes categorization. All recorded and treated data were coded anonymously. The author presents in below table 1 the allocation of collected data.

**Table - 1:** Allocation of Quoted Declarations of Dysfunctions with their Frequencies

Description	Value
- Persons interviewed	8
- Witness Statements	180
- Themes	6
Working Conditions	Frequency - 26 %
Work Organization	Frequency - 14 %
Communication, Coordination, Cooperation	Frequency - 16 %
Time Management	Frequency - 14 %
Integrated Training	Frequency - 12 %
Strategic Implementation	Frequency - 18 %
- Sub-Themes	35
- Key Ideas	69

The above data is based on 180 statements expressed by the firm's employees and were classified under 69 key ideas based on the six dysfunctions themes of SEAM.

After the interview stage, we started the quantitative stage of the diagnosis, which represents a calculation of the Hourly Contribution to Value-Added on Variable costs (HCVAVC), to define the value-added factor between running costs and the number of total working hours of all actors of the company. The HCVAVC of the travel agency is \$54.33. This means that every working hour contributes to a \$54.33 value-added to the bottom line of the company. Consequently, we have met each manager to define with their division expertise to quantify the related dysfunctions to have an approximate full amount of hidden cost faced by the company. The total hidden cost of the company was calculated to be \$653,000, which represents \$81,000 per employee per year on average.

The following stage was to perform the mirror effect which is a second-level analysis. The previous qualitative and quantitative data collected presentation was conducted anonymously while presenting all the collected data to all actors of the company. During this meeting, the mirror effect opened the floor for discussions, arguments, and clarifications among the company employees. This was a very constructive meeting as it shed the light and clarified dysfunctions from different perspectives and it validated the data.

### Initiative, execution, and assessment phase

In this stage, the intervener researcher and the executive management start exploring initiatives and projects by analyzing and classifying the collected data in the diagnosis phase. This stage would create a project pipeline with a specific timeline of brainstorming, approval for its adequacy, and implementation. After approximately two weeks of internal discussion and meetings with the researcher, the executive management has decided to tackle some major projects and gave the go-ahead, and structured the responsible team for finding solutions and implementing them. 12 months after the implementation, the researcher will interview the executive management and assess the actual impact of the whole research field intervention.

## Application of SEAM tools

The socio-economic management tools include increasing primacy management actions, strengthening the use of existing expertise capabilities, augmenting visibility through piloting actions and dysfunction indicator methods, and hidden cost prevention and enhanced expectancy of a mid to long-term corporate climate change (Conbere et al. 2015). We have thoroughly trained all relevant parties on the use and benefits of each of the socio-economic management tools.

The diagnostic time management tool facilitates the tracking and analysis of time people spend conducting tasks separately and with regard to the items mentioned for gaining knowledge of employee satisfaction. Having analyzed the time management of managers, conducted over a five consecutive days period, we found that on average, the sales division invests just 15 percent of the time jointly in profitable tasks and activities. We also identify the need for more attention to develop the level of skill for every division member and to take enhanced improvement of the accessible time to perform.

The competency grid tool purpose, which allows managers to assess their staff member quality and capacity to measure the readiness of its personnel. We have found that most of the tasks in all departments are linked and conducted by only one person, the related manager division, who were performing them.

Strategic action plan: An internal and external strategic action plan is a medium to the long-term grand plan for an organization. This methodology reflects the purpose of the enterprise for the next three to five years and describes the steps for the corporate plan, so that company leaders can formulate plans to meet the firm's strategic targets (Savall et al. 2008).

The priority action plans (PAP) are approved projects that go through a thorough four stages cycle, monitored by the executive management for its alignment with the overall business and divisions' strategy. The purpose of these projects was to remediate the discovered dysfunction and to enhance the travel agency's overall qualitative, quantitative, and financial performance. Some of the approved and implemented socio-economic projects are the following:

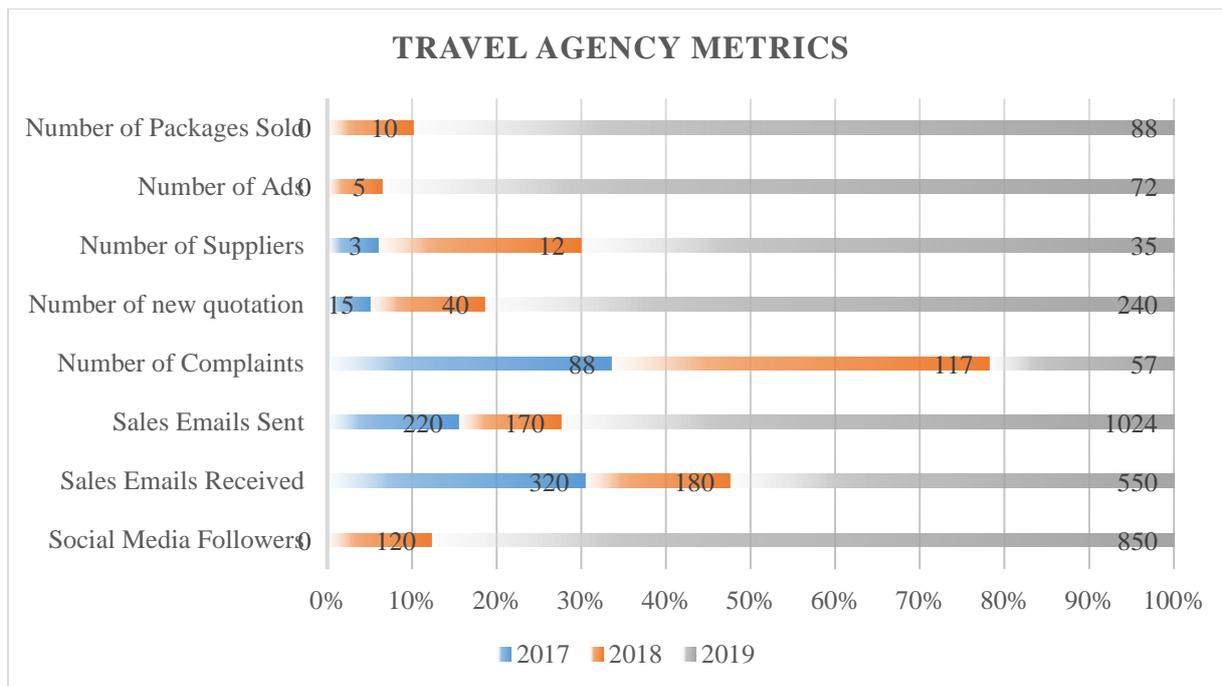
- Enhance expertise and skills of the sales and ticketing divisions.
- Enhance the communication skills of the firm's employees with all internal and external stakeholders.
- Update and enhance the communication flow process with all stakeholders.
- Enhance the marketing skills and implementation of strategies.
- Update the mission, vision, and strategy of the company and be communicated to staff members.
- Enhance the technology usage skills of all employees.

The executive management was amazed by the results of the methodology tools phases and they were very eager to complete the socio-economic projects to touch a real change in the company operating performance.

## IV. Findings Assessment and Discussion

The intervention assessment was conducted approximately 12 months after the completion of the intervention. The intervener researcher had the chance to interview the executive management to have their feedback about the impact and benefits of this research intervention's effect on the enterprise as a whole.

The executive management after the assessment of the mirror effect, dysfunctions, quantitative analysis competency grid, and time management tools, they have launched many training sessions for employees that were lacking in required specific skills and expertise for the tasks in their departments. The training also included the time management process and how to benefit from the working hours to get things doesn't and to increase productivity. This was done on an aggregate level of the firm. In the following paragraphs, we will dissect most of the human capital elements enhancement conducted throughout the firm to increase performance, and we will detail the results. The outcomes are a mix of qualitative quantitative and financial metrics in nature. Figure 1 presents the enhancement metrics of the outcomes.



**Figure 1:** Travel Agency Set of Metrics

Marketing skills enhancement: a special 20 hours self-training was provided to the related personnel taking in charge of the marketing efforts of the travel agency. The focus was to be able to disseminate to the public the travel agency services awareness based on specific elements that are suitable for such industry. The number of targeted ads increased to 72 ads compared to 5 ads a year for two years (Figure 1). In addition, the social media tool was used, enhanced, and implemented and this is reflected by the number of followers that was increased to 850 from 120 followers a year for two years (Figure 1). This effort is reflected in other parts of the operation that will be discussed later, in terms of email received and the number of quotations that are directly impacted by the improvements of the marketing efforts and awareness. The overall net benefits of this implemented human capital enhancement are calculated to an approximate \$8,000 per year. This validates from the intervention field material that the enhancement of human capital improves retail travel agency performance.

Increase in the number of suppliers and number of new quotations: the executive management had trained the ticketing and sales team thoroughly on the essential of market mapping and in offering the right mix of services. Therefore, after training completion, the related personnel used their newly acquired skills and expertise to increase their portfolio of suppliers to answer to the bigger needs of their clients and new prospective clients. The number of suppliers increased from 3 to 35 a year for two years (Figure 1). Moreover, this effort directly impacted the marketing effort on the number of new quotations which skyrocketed from 15 to 240 a year from two years (Figure 1). The overall net benefits of this implemented human capital enhancement are calculated to an approximate \$15,000 per year. This validates from the intervention field material that the enhancement of human capital improves retail travel agency performance.

Communication skills enhancement: all employees were subject to a self-training course based on a specific updated communication process drafted by the executive management team, that touch on all aspects of communication required in a travel agency with all internal and external stakeholders which entail the face to face, emails, and the telephone communication. We noticed a substantial improvement in readiness to improve the teamwork's communication and interaction. Via their internal touch and communication with stakeholders, this approach has led to a successful relationship with all related parties. This could translate as well to a decrease in the number of complaints that were reduced from 88 to 57 a year from two years (Figure 1). The overall net benefits of this implemented human capital enhancement are calculated to an approximate \$7,000 per year. This validates from the intervention field material that the enhancement of human capital improves retail travel agency performance.

Sales activity enhancement: the training sales skills enhancements accompanied by the communications and persuasion skills enhancement have had a very positive impact on the performance of the salespeople in the travel agency. This is clearly shown in table 1 by the number increase in the email received which is increased to 550 emails per year compared to 0 a year from two years. In addition, the email sent increased to 1024 from 220 a year for two years (Figure 1). Moreover, the number of packages sold increased from 10 to 88 a year for two years (Figure 1). Along with an increase in the number of new quotations from 15 to 240 a year for two years

(Figure 1). The overall net benefits of this implemented human capital enhancement are calculated to an approximate \$18,000 per year. This validates from the intervention field material that the enhancement of human capital improves retail travel agency performance.

**Time management:** executive management has noticed a huge increase in the efficiency in personal time spent during business hours. They have estimated that that time was increased from 15% to 75%. This would contribute positively to the whole firm's operational effectiveness and performance. This validates from the intervention field material that the enhancement of human capital improves retail travel agency performance.

**The new HCVAVC:** all the enhancement of human capital efforts undertaken by the company has led to an increase in the Hourly Contribution to Value-Added on Variable costs (HCVAVC) which has increased around 11% with a new value of \$59 compared to the old value. This validates from the intervention field material that the enhancement of human capital improves retail travel agency performance.

The information presented and described above in this section validates the research hypothesis “Enhancement of human capital improves travel agency firm’s performance” from the intervention field materials. The significance of this intervention research is that it contributes positively to the performance of a travel agency business by improving human capital which affects specific qualitative and quantitative indicators generated for this research which previous scholars have not examined.

## V. Conclusion

This research aims to promote the transition to strategic agility inside the company to flourish; and to put an aggressive, creative intelligence into the continuous improvement of a business. The socio-economic management approach, which transforms the company's shortcomings into opportunities, underlines proactive systemic analysis, encourages progress within the organization, and supports meaningful involvement from all stakeholders. The travel agency's economic and cultural state was exhausted, considering the awareness of the root causes of those long-term dysfunctions. This study was done with in-depth consideration of the actual situation. The Socio-Economic Methodology centered on the concept that includes all participants in a participatory process and analyzing qualitative, quantitative, and financial outcomes led to the application of the approach. The paper sheds light on the notion of hidden costs in travel agency firms and promotes approaches to minimizing them and converting low-value-added practices into added value by increasing the organizations' efficiency.

This intervention research was conducted in a travel agency located in Lebanon with the paper aims to validate the following research question “how can the enhancement of human capital help to improve the travel agency firm’s performance? And to validate the research hypothesis “Enhancement of human capital improves travel agency firm’s performance”. This was validated from a literature point of view in the literature framework section in this research paper. In addition, this was validated as well from the field material presented in the last two sections that clearly explain and validate that the enhancement of human capital would indeed increase travel agency performance in terms of qualitative, quantitative, and financial metrics. The positive effect of the enhancement of human capital of the travel agency firm was estimated to be approximately \$48,000 per year, which is a substantial amount for a small firm.

The significance of this intervention research’ implication is that it contributes positively to the performance of a travel agency business by improving human capital which affects specific qualitative and quantitative indicators generated for this research which previous scholars have not examined. This research paper reduces the gap between theory and practice to shed the light on the enhancement of human capital implication in travel agencies and to lead futures research studies focusing on intellectual capital variables on the success of travel agencies. In addition, these research findings could shed the light and help managers or owners of small and/or medium travel agencies in pinpointing human capital dysfunctions in their business operation, so that they take improvement actions to enhance their organizational performance on a qualitative, quantitative and financial side.

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