The Role of Education within National Human Resource Development Policy

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Trade and economic viability are becoming increasingly important in all countries around the world. As a result, Human Resource Development is becoming an integral part of a country’s ability to sustain development and it is evident that many countries outside of the United States are integrating HRD as part of their national policy (NHRD). This review of literature explores the reasons behind the thrust of education as the main driver for NHRD.

Keywords: NHRD, Education, Economic Development

Human Resource Development as national policy (NHRD) is growing exponentially as countries worldwide grapple with sustaining and growing economic development. Material standards of living, the character of social and cultural life, and the well-being of societies are associated with human resource development (HRD) and this is a key reason why HRD plays a major role in national development planning (Alsahawi & Gardener, 2004) and sustainable economic development. In addition, Alsahawi and Gardener found that HRD is more of a realistic indicator of development than any other single factor since it is a necessary condition for all kinds of growth.

The purpose of this paper is twofold: to examine to what extent the role education plays as part of NHRD policies and to examine the ways the educational arm of the policy is being implemented to initiate sustainable economic development. No one debates the value of education. However, research is necessary to reveal the various ways that education is being used to drive NHRD policies in developing and transitioning economies. The lens through which this research will be examined is human capital theory which posits that investment in human capital promotes economic growth (Shultz as cited in Bratton, et.al., 2004) and economic growth fuels education enabling sustainable economic development to take place.

Definition of Terms

In order to clarify the importance of education and justify researching its impact within NHRD policy one first has to define and differentiate between learning and education. Swanson and Holton (2001) define learning as “the process of acquiring new knowledge and expertise in people” (p.208). Geo-JaJa and Mangum (2003) established that education, appropriately tailored to local and national need, is the essential input to human resource development. Studies by Haq and Kirdar (1986) reaffirmed the correlation between education and human resource development. If human resource development is “a process of development” (Swanson & Holton, 2001, p. 227) then education is the acquisition of human capital (intellectual and experiential) that allows the implementation of methodologies that put learning into action within the human resource development framework as part of a country’s national policy.

Next, it is important to define what is meant by sustainable economic development. The World Commission on Environment and Development identifies sustainable development as development that meets the needs of the present without compromising the ability of future generations to meet their own needs. In other words, sustainable development is about the ability of a country’s people to not only survive by providing food and shelter but enabling that country to provide jobs, healthcare, education, etc. NHRD is a resourceful tool that empowers countries towards sustainable economic development.

Last, it is important to distinguish what is meant between emerging, transitioning, and developing economies. However, the research found that the lines of definition between these three states of economy are blurred and not easily determined. Frequently, emerging economies such as China and India are defined as economies with low-to-middle per capita income and in the process of moving from a closed to open market economy. On the other hand, transitioning economies such as Poland and South Korea are ones that that moving away from a command economy (characterized by government control) toward capitalism. Finally, developing economies such as St. Lucia and Eritrea are often characterized as economies that are not yet industrialized but are developing. These latter countries often lack the resources necessary for industrialization to take place and seek aid from industrialized nations to grow. Surprisingly, there is not a consensus among scholars regarding the distinguishing characteristics and “at the
national level the concepts of HRD differ from one country to another” (Cho & McLean, 2004 p.383). The countries chosen for this research paper were those that best fit the defining characteristics and categories listed above.

NHRD Overview

After reviewing the literature it seems apparent that the world’s barriers to trade and economic advancement and stability shrunk with the fall of Communism in the late 1980s. Though issues surrounding economic development have been a topic of discussion prior to this event, the need to develop some sort of policy to harness and develop each country’s resources, both human and economic, became imminent at this period of history. Globalization, trade liberalization, technology advances, and the expansion of service industries all have had (and continue to have) an impact on the world’s developing, transitioning, and emerging economies. What’s fascinating is that each country, depending on its form of government, size and age of its labor force, available natural resources, has used and is continuing to use some form of education to establish and drive HRD as national policy. Education is the kingpin, though much depends on identifying the societal and cultural practices that shape HRD and learning in different geographic locations realizing the term ‘effective HRD strategies’ is highly situational and dependent (Metcalfe & Rees, 2005).

Interestingly, HRD as a field of study is not only relatively recent but it is primarily of American origin (Metcalfe & Rees, 2005). It is also widely accepted that the term HRD has different meanings in different countries and that HRD practitioners use different terms to identify and describe the construct of HRD in different nations (Lee, et al., 2004). So it is not surprising that as the world becomes increasingly global and competitive that countries and regions worldwide begin forming their own working definitions of HRD often incorporating HRD into their national policy. Often, NHRD as policy enables a country to use HRD principles to address a multitude of issues. McLean (2004) asserts that NHRD goes beyond employment and preparation for employment issues to include health, culture, safety, and community.

As countries formulate national HRD policies a debate inevitably ensues to diagnose what’s wrong with the country’s education system; what wrong with its economic, social, cultural, and human resource development systems; and what should be done (Cho & McLean, 2004). Therefore, what follows is a comparative sampling of NHRD in various stages of implementation in countries outside of the United States that demonstrates the ways education serves as a unifying umbrella from which various HRD roles are implemented in order that the country experience economic growth and productivity and “unleash human expertise” (Swanson & Holton, 2001, p. 227). The countries examined are India, China, Poland, Russia, South Korea, St. Lucia, Eritrea, and Saudi Arabia.

This paper examines, through a review of literature, the role education plays in NHRD to initiate sustainable economic development within the context of three different categories of economy: emerging, transitional, and developing. Each of the countries examined fall into one of the three economic categories.

NHRD in an Emerging Economy

India

Interestingly, McLean states in the 2004 issue of Advances in Developing Human Resources that India was purportedly the first country to change their Ministry of Education to the Ministry of Human Resource Development in 1985 emphasizing the importance of connecting human resource development with education policy. Given the sheer size of the population it is understandable that education within the NHRD framework is being used to develop the competencies of people so that they are able to provide healthcare, food and nutrition along with the provision of a decent quality of life (Rao, 2004). The bulk of India’s population (64 percent) is between the ages of 15 and 64 and another nearly 31 percent is under 14 years of age. Therefore in an effort to guide the country’s economic development the Indian Ministry of Human Resource Development focuses on the education of children, youth, numeracy, skills, technical development and functional development (Rao, 2004). This approach appears to be working. Most recently, in testament to its growing economic status, India’s Ministry of Human Resource Development approved the Rajiv Gandhi School of Intellectual Property Law (Neelakantan, 2006). The acting leader of the new school, P.K. Gupta, justified the existence of the new school saying that “when a person is poor he doesn’t have to worry, but when he gets wealth he has to protect it. India was poor 50 years ago but now needs to protect its intellectual-property wealth” (as cited in Neelakantan, 2006, p. A43).

In addition, it’s not unusual to find HRD departments established in many Indian corporations promoting “employee development, organizational development, and culture building” (Rao, 2004, p. 291) emphasizing workplace education. Rao (2004) found this to be noteworthy because research has shown there is little if any crossover of learning from corporate HRD to the education of public sector HRD.
China

HRD in China tends to have strong social and moral implications most likely because of the country’s strong collectivist cultural history (Yang, et al., 2004). Lee, Lin, Paprock, Lynham, & Li (2004) found that under China’s socialist planned economy the meaning of HRD is all about placement, social welfare, record keeping, and ascending up the ranks solely by party assessment. However, a microcosm of Western HRD can be observed co-existing within its boundaries, a capitalist influence primarily evidenced in those private firms, joint ventures, and firms fully owned by foreign investors (Yang, Zhang & Zhang, 2004). Additional research by Yang, Zhang & Zhang (2004) revealed that there’s also a notable influence in curriculum management and MBA and EMBA programs copied models from Western universities, particularly the United States. This phenomenon could be because China attributes the lack of access of its population to higher education which the country sees as one of the reasons for its ineffective and under-developed state of its HRD (Yan & McLean, 1997). To address this inadequacy, in 1996 China created HRD as an academic discipline at Beijing University and Nankai University (Lee et al., 2004), which is notable because generally the majority of Chinese managers did not hold an education beyond high school (Wang & Ruona, 2004). Most recently, increasing pre-employment vocational education, employment training centers, and expanding higher education are seen as ways to increase the effectiveness of human resource development policies (Lee et al., 2004).

NHRD in a Transitioning Economy

Poland

Poland is in the thralls of transitioning to a global economy with its transformation to a democratic, market-oriented economy nearly completed. Consequently, education is seen as a major component in NHRD as a way to complete the transition to a market-oriented economy. Poland joined the European Union in 2004. Yet, this country, which is slightly smaller than the state of New Mexico, with a bulk of its population between the ages of 15 and 64 years struggles with implementing HRD principles within its labor force. There is no tradition of experiential or action learning or of little training (cited in Szalkowski & Jankowicz, 2004). However, in Poland’s NHRD policy the education component appears to be focused more on training and workforce skill development. Take for example, the way Poland’s NHRD policy is accomplishing this task. Poland’s National Strategy for Employment Growth and Human Resource Development was adopted by the Ministry of Labor and Social Policy in January 2000. Within this strategy are specific programs such as the First Job program and the Entrepreneurship First program both of which provide vocational skills and continued vocational training (Zelloth, 2004). It appears that the key goals of Polish NHRD policies focus on information, guidance, and career counseling services which seem to fit the training and development model espoused by Swanson and Holton (2001, p. 225).

One of the reasons why Poland’s NHRD policy puts emphasis on the training component of education could be as a result of foreign investment. It’s worthwhile to note that one of the conditions negotiated when foreign investment is negotiated is the stipulation that the privately owned enterprises bring with them staffing, policy, and delivery provisions that the Western reader would expect to see in a Westernized HRD department (Szalkowski & Jankowicz, 2004). Therefore, Western companies who set up private or joint enterprise in Poland bring with them HRD personnel and practices that espouse Western HRD principles and methodologies. It could very well be that Poland looks at the employees within these ventures as models for development for their own labor force. Szalkowski and Jankowicz (2004) found that except for some basic induction and safety training programs, most provision of expertise is through recruitment of people educated and developed elsewhere rather than by internal training and development.

Russia

Similar to Poland, the emphasis of how education is used within Russia’s NHRD has shifted from an emphasis on general education to more of a skill-based training model that provides professional competency development (Shekshnia, 1998). It appears from the research that Russian HRD has adopted a training and development model similar to the one proposed by C.R. Dooley that is included in Swanson and Holton (2001) that is “designed to engage all experts in the workplace as trainers” (p. 224). The importation of HRD training methodology and personnel is also surfacing in Russia where the average Russian employee, including the managers, knows little about market economy (Plakhonnik, 2005). As a result, Western consulting firms and U.S.—Russian partnerships on both academic and partnership levels are being established to provide help to various aspects of business.

South Korea

In 2001, most likely in response to growing shortages of technically skilled workers and concerns with being globally competitive (Hawley & Paek, 2005), South Korea combined the Ministry of Education with the Ministry of Human Resource Development (MOEHRD) to provide an integrated solution to addressing these issues. It appears,
according to Kim (2005) that “an integrated policy approach to industrial development appears to be relevant …
trade policy, human-resource development policy, and technology policy [in South Korea] are well-coordinated and
complementary to industrial policy” (p.312).

South Korea has made tremendous gains since joining the OECD (Organization of Economic Cooperation and
Development) in the mid-nineties (McLean & Cho, 2006). In 2004 Korea joined the trillion dollar club of world
economies and its GDP per capita is now equal to the lesser economies of the European Union (The World
Factbook, 2007). It was only four decades ago that the country’s GDP per capita was comparable with levels in the
poorer countries of Africa and Asia. Interestingly, Korea aims to be one of the top ten world leaders in human
resources based on growth driven by people and knowledge (Kim, 2005). To accomplish this aim a globally
competitive workplace needs to be developed and individuals empowered. MOEHRD addresses these aims through
primary and secondary school education, improved access to university education, and lifelong learning initiatives.
Another way Korea is harnessing industry and education can be seen in its recent efforts in April 2007 seeking to
institute a Best Human Resources Developer Authorization system which aims to acknowledge public organizations
that demonstrate good HRD practices such as employing qualified personnel and providing employees with
to function like a Good Housekeeping seal assuring potential customers that the company operates with the highest
HRD standards.

NHRD in a Developing Economy

St. Lucia

Education and HRD have been identified by the government as key strategies for the island’s development as it
focuses on reforming the education system and developing the workforce (Scotland, 2004). An island country about
three times the size of Washington D.C., St. Lucia is located in the Caribbean between the Caribbean Sea and North
Atlantic Ocean. Self-government was granted in 1967 and independence in 1979. At one time the island’s primary
production was agricultural but environmental concerns and deforestation are now major economic issues. Today St.
Lucia has a high migration of skilled workers and a heavy dependence on the tourism and IT sectors of industry
(Scotland, 2004). As of July 2006, according to The World Factbook (2007), the island’s population was nearly
200,000 with the majority of the population between the ages of 15 and 64 years. Therefore, human resource
development is seen as vital to the island’s development process (Scotland, 2004).

It’s important to note that not so long ago most development projects in the Caribbean were financed with
foreign aid. Particularly in the 1980s when Cold War rivalry for influence between the U.S. –led capitalist West and
the former Soviet-led communist East was at its height in the region. During this period, millions of dollars in
development assistance poured in from the United States, Canada, Britain, and other Western donors. The money
was used for a variety of purposes: to build roads, schools, hospitals, and ports, build infrastructure, and finance
human resource development programs to provide the various skills needed for development. That all changed with
the fall of communism and the opening up of world markets in the early 1990s. Rather than rely on aid to drive
employment, developing countries such as St. Lucia initiated their own systems within the government to address
development problems in the areas of health, culture, job skills, and education.

Scotland (2004) asserts that weaknesses in the education system and inadequate HRD have contributed to the
island’s poverty, joblessness, and lack of economic competitiveness driving the need for NHRD. As a result, St.
Lucia has implemented proactive strategies as part of their NHRD policy coupling education with training to address
ongoing issues such as the one demonstrated in Table 1 below. The education system in St. Lucia is closely linked
to NHRD. According to St. Lucia’s Technical and Vocational Education and Training (TVET) information website
(2003) one of the major functions of the Department of Human Resource Development within the Ministry of
Education defined in the National Development Plan is to expose the public to other cultures and systems of life-
long learning through formal and informal means, including distance learning. One other example of the island’s
NHRD policy towards island development is the implementation of a Caribbean Tourism Learning System which
serves to increase quality, relevance, and access to human development in industry (Scotland, 2004).

Table 1: Strategy Development for Human Resource Development in Health Sector

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<th>Issues</th>
<th>Recommendations</th>
<th>Strategies</th>
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<td>Inadequate training and inappropriate selection of government employees</td>
<td>Develop medium to long term staffing plans for public health institutions</td>
<td>Ministry appoints a committee and develops a 5-yr priority list</td>
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Poor working environment for health workers
Strengthens occupational health and safety procedures
Ministry should improve working environment within health institutions in terms of functional tools, equipment, etc.

Poor moral and lack of involvement of workers in the management decision making process
Focus should be on participatory management and reward systems aimed at increasing productivity
Expand job description of workers aligned with organizational goals

Irrelevant job description of employees
Develop appropriate job description of employees
Provide continuous recruitment programs with strong marketing and public relation initiatives

Employee turnover
Institute mechanisms to maintain and attract a high caliber of workers
Conduct regular staff performance appraisals

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Eritrea
Since the country’s most valuable asset is its people the country embraced nation-centered education policies within the framework of an HRD strategy which takes a manpower approach to advance the nation in terms of international competitiveness (Muller, 2004). In common with other developing countries, the government is a major employer of highly skilled and educated manpower (Eritrea: Human Resource for Sustainable Industrial Development, 2003). This could also be one of the reasons why education is of primary importance to Eritrea’s NHRD policy – it provides skilled government employees.

Eritrea achieved its independence from Ethiopia in 1993. Slightly bigger than Pennsylvania, Eritrea is part of Eastern Africa bordering the Red Sea, between Djibouti and Sudan. Its population of 3.2 million (the size of Chicago) is divided up into nine different ethnic groups (Muller, 2004). After Eritrea gained its independence from Ethiopia, the tiny country was so war-torn that its main economic activity of agriculture was severely disrupted, the infrastructure highly damaged, and health and educational facilities destroyed (2004).

Saudi Arabia
The human resource strategy currently implemented embraces a broad and inclusive education system that includes general education from kindergarten to secondary school and includes teacher training colleges, higher education universities, and technical education and training in both public and private sectors (Alsahlawi & Gardener, 2004). In this geographic region of the world education and human resource development is also an important factor in economic growth for influencing changes in economic structure. Saudi Arabia, slightly larger than one-fifth of the entire United States, entered the World Trade Organization (WTO) in December 2005. A burgeoning population (27 million), aquifer depletion, and an economy largely dependent on petroleum output and prices are all ongoing governmental concerns (The World Factbook, 2007).

Alsahlawi & Gardener (2004) state that the prior education systems in place in Saudi Arabia did not “foster strategic thinking by its pupils” (p. 180) and poor use of national manpower and weaknesses of vocational training programs were the main causes of labor shortages. The Arab Bureau of Education for the Gulf States (ABEGS) criticized the education system in Saudi Arabia because they are failing to provide skilled personnel to fill the gap in some key professions (Alsahlawi & Gardener, 2004). The struggle is between dominance of general education over technical, causing many educational and HRD researchers to come to the conclusion that the Saudi Arabia NHRD system, as it presently stands, is not responsive enough to real market needs (2004). Therefore Alsahlawi and Gardener (2004) assert that closing the gap between the labor market and the education system remains a top priority for sustainable economic development in this country.

Results and Findings
It seems apparent from researching what has been written about NHRD that education is definitely an operative word for sustainable economic growth and development and a key concept for countries whose goal it is to achieve a market economy. However, there may be scholars who may disagree with the terminology of education and who instead may be bent on favoring a particular learning model or training theory, discounting the way education is merged within NHRD framework. Disillusionment regarding the contribution of education to economic growth and
development has been expressed by other scholars (Simmons, 1980). Aldcroft (1998) states in *Education and development: the experience of rich and poor nations* that “while first generation human capital theorists may well have exaggerated the importance of education in the development process, the historical record suggests that it is a factor of more than minor importance” (p. 252). It appears true that the most fruitful investment in the initial stages of human resource development is basic primary education (Aldcroft, 1998). World Bank research also indicates that rates of return tend to be highest for primary education, while there’s an inverse relationship between a country’s level of development and the contribution of education to economic performance (Psacharopoulos, 1983).

But the real concern goes deeper. Harada (2005) is correct when he says that though there are many international issues that appear in HRD journals and magazines, the majority of the authors are from the United States or from foreign professionals working in the United States. Like Harada, when researching this topic I found little if any cross-national research. Cross-national research collaboration involves researchers from different countries who are knowledgeable about social issues in their countries and understand the cultural differences between countries (Harada, 2005). It is imperative in an emerging field such as NHRD that there be a body of cross-national research to draw upon.

Like the people that compose them, countries come with a historical past and experiences that make them what they are today. What education within NHRD means for one country and how it is implemented may not be suitable or even workable for a variety of reasons in another country. But the methodology of how the policies are implemented and outcomes measured needs to be documented by HRD researchers. In addition, a critical reflection on the profession’s view of education and it is used as a tool within a vast array of models of NHRD is called for.

**Conclusion and Implication for HRD**

There are particular situations in every individual country of the region and it is not possible to achieve a simple common solution for development (Rozemeijer, 2003). Even if HRD professionals agreed on certain principles it is still necessary to understand and implement them in the particular context of a particular country. However, it is worthwhile to note that what all NHRD policies seem to have in common towards a solution is a tendency to use education as a form of human capital to foster economic growth. Maybe this is not surprising because since its inception, economics has often played a major role in the development and application of HRD (Nafukho, Hairston, & Brooks, 2004). What is additionally evident though is that there needs to be further research exploring the ways education is being harnessed for economic development.

Human resource development is an objective of education policy in developing, transitioning, and emerging economies and is increasingly narrowed down to its human capital component (Muller, 2004). It is interesting to note that according to the World Bank Group achieving mass education is at the core of a successful development outcome and disagreement is only about the method of achieving this goal (Puri, 2007). The historical record connecting human capital to economic development suggests that “education is a factor of more than minor importance” (Aldcroft, 1988, p. 252). Furthermore, Aldcroft (1988) found that the level of education “provides the population with the attitudes and aspirations to facilitate adaptation and change” (p. 252).

Nearly sixty years ago the main factors of production consisted of physical capital, labor, land and management (Mincer, 1962). It wasn’t until the early 1960s that the term human capital was coined (Schultz as cited in Bratton, et.al., 2004) mainly to explain the growth of the United States economy at that time. However, the main outcome from investment in people is “the change that is manifested at the individual level in the form of improved performance, and at the organizational level in the form of improved productivity and profitability or at societal level in the form of returns that benefits the entire society” (Nafukho, Hairston, & Brooks, 2004, p.549). And in this context it seems that using education as a tool within NHRD policy makes sense. To focus on education is to focus on people. And the focus on people as assets should help in defining the research agenda for NHRD scholars in addition to guiding international HRD principle and practice.

**References**


