Title: Interventions of Human Resource Development for Sustainable Economic Growth

Name

Institution

Contents

[Introduction 2](#_Toc17032163)

[Research trends on relationship between HRD and economic growth 2](#_Toc17032164)

[Positive relations between HRD strategies and practices and economic growth: The case of Korea 5](#_Toc17032165)

[Conclusion 7](#_Toc17032166)

[References 8](#_Toc17032167)

# Introduction

Many researchers have explored the relationship between human resource development (HRD) strategies and practices and economic growth. For example, Anand & Amartya (2000) discusses the relationship between human development and economic sustainability. According to Anand & Amartya (2000), intergenerational equity should be maintained for the goal of economic sustainability to be achieved. McCleery (2000) also supports the quest for economic sustainability by appreciating the critical role of HRD. McLean & McLean (2001) argue that for HRD to be of relevance in the worldwide context, it should first be defined in the context of specific countries. The aim of this paper is to discuss the positive relations between HRD strategies and practices and economic growth. The example of Korea as a country that has been successful in promoting HRD strategies and practices for economic growth is examined.

# Research trends on relationship between HRD and economic growth

Research on the importance of HRD in the economic growth of a country is ongoing. McLean & McLean (2001) observe that definitions of HRD tend to vary from one country to another. However, US definitions have ended up influencing the understanding of HRD around the world for the obvious reason of the status of the United States as a global power. McLean & McLean (2001) argue that it is important for a definition of HRD that meets the economic conditions of many countries to be developed.

Zula & Chermack (2007) points out that HRD provides a very crucial dimension in the modern conception of growth. This is demonstrated in the way the US has in recent years shifted from a manufacturing- to a service-driven economy. The objective of this change of strategy was to ensure the country remained competitive in the contemporary world. The far-reaching implications of this shift on HRD have already started emerging (Zula & Chermack, 2007). According to Zula & Chermack (2007), these implications are demonstrated through changes in human capital planning.

 Recently, many researchers have been carrying out research on HRD from national and regional perspectives (Zula & Chermack, 2007; Lynham, 2006; Rowley & Benson, 2004; Metcalfe & Rees, 2005). In this research, it is widely acknowledged that proper HRD practices and strategies will ultimately lead to rapid economic growth in developing countries. Lynham (2006), for instance, examines the notion of national human resource development in the context of transitioning societies. For the HRD strategies to have a positive impact on the national economies, they must be properly integrated into local socioeconomic, political, and cultural environments. Both the intent and context of implementation greatly influence the emergence of responsible human resource development (Lynham, 2006).

 McLean (2004) also uses the idea of national HRD whereby efforts are made to not only relate it positively to economic growth but also to place it in a global concept. McLean observes that HRD is defined differently in different countries. The definition provided tends to be a reflection of the identifiable economic realities of the country. In many cases, HRD is viewed as an integral component of a country’s national economic policy. This approach is similar to one whereby national HRD systems are often examined for signs of improvement or decline (Rowley & Benson, 2004).

 In some instances, the subject of HRD is discussed from a regional or continental point of view, with focus being on Asian models, African perspectives, European approaches, Latin-American perspectives, and so on. Rowley & Benson (2004), for example, compares the HRD strategies of China, Korea, and Japan in the context of an Asian model of HRD. In this discussion, Rowley & Benson (2004) argues that institutions and cultures pose a stumbling for HRD. The emergence of the Asian model is supported by the existence of “regional clusters”, whereby cultural and geographical closeness compels countries to deal with certain economic problems using similar approaches. According to Rowley & Benson (2004), Japan, Korea, and China seem to represent such a regional cluster.

 Both national and regional perspectives have greatly contributed to the emergence of the subject of international HRD. At the same time, the growing emphasis on this subject seems to coincide with current themes relating to globalization. The argument being raised in this case is that HRD is being globalized. The globalization process relating to HRD seems to be taking a trend similar to that of other sectors and industries. In most sectors and industries, national and regional clusters tend to exist prior to the emergence of globalization. Even after globalization has occurred, these national and regional realities remain unchanged. In fact, they greatly influence changes in the process of globalization by creating a platform through which local solutions to global problems are sought.

 Metcalfe & Rees (2005) proposes the categorization of international HRD under three headings: “national HRD”, “comparative HRD”, and “global HRD”. According to Metcalfe & Rees (2005), this approach can be helpful not only for purposes of theorization but also the identification of ways in which HRD contributes to economic growth. In this approach, HRD is viewed as an integral component of economic and social development at local, national, regional, and international levels.

# Positive relations between HRD strategies and practices and economic growth: The case of Korea

HRD is positively correlated with economic growth. However, this correlation depends on the strategies and practices that are adopted at national and international level. Improper choice of HRD strategies may lead to stunted economic growth. The HRD strategies that a country adopts tend to be implemented through industrial training (Brooks, 2006). In Brook’s (2006) view, aspects of HRD should be integrated with those of social capital for organizational productivity to be enhanced. If mistakes are made at the level of formulation, they are likely to be transplanted to the entire working population. Such mistakes in the conceptualization of strategies and practices may impact negatively on economic growth and human development.

In recent years, Korea has achieved rapid economic growth. One of the factors that have contributed to this growth is HRD (Bae & Lawler, 2000). The HRM strategies being adopted in Korea provided a good case study on how an emerging economy can embrace proper HRD values with a view to achieve economic growth. According to Bae & Lawler (2000), HRD has led to improvement in firm performance across Korean sectors, which in turn has resulted to rapid growth of the national economy.

 The HRM strategies that Korea has adopted in recent decades have led to the creation of competitive advantage. Bae & Lawler (2000) did a study of non-managers in 138 Korean firms. They developed a model with which they tested the data obtained. Firms that achieved high scores in terms of the ability and willingness to value people and HRM as a platform for competitive advantage had a higher likelihood of embracing high-involvement HRM strategies (Bae & Lawler, 2000). These variables were also found to have a positive impact on firm performance. Firms that had introduced high-involvement strategies were found to have better performance (Bae & Lawler, 2000).

 Bae (2004) notes that Korea has invested heavily in training and development (T&D) as one of the HRD strategies aimed at spurring economic growth. In terms of spending on T&D, Korea has focused on both organizational and HR aspects. In terms of organizational aspects, focus is mainly on learning culture and product differentiation. On the other hand, Korea promotes HR mainly through employee empowerment. Policymakers at the national level are also keen to ensure that workers are provided with opportunities that promote long-term attachment to companies. One of the implications of these practices is that Korea has managed to not only achieve economic growth but also address sustainability issues.

Bae & Rowley (2003) observe that Korea has managed to achieve progress in issues of sustainability by creating opportunities for changes and continuities through strategic HRD practices. This element of adaptability is appropriate in today’s changing international business environment. Although countries need to adapt to new HRM practices, they also need to maintain baseline policies and structures for purposes of maintaining continuity. The ability to maintain a balance between change and continuity is critical in efforts to achieve the goals of economic growth. According to Anand & Amartya (2000), such an argument appeals to the concept of ethical “universalism”. In ethical universalism, a culture of impartiality of claims is normally promoted in efforts to define economic sustainability. Countries that have established economically sustainable structures are said to be in a leadership position in efforts to entrench practices and strategies that enhance intergenerational equity.

 One of the main problems that researchers encounter in the discourse on economic sustainability is the lack of straightforwardness in definition of terms. No researcher has explicitly stated the elements that should be sustained in an economy (Anand & Amartya, 2000). Moreover, the very notion of sustainability cannot be easily measured simply because it is extremely difficult to determine how the actions being undertaken today influence future trends in economic growth and development. Nevertheless, discussions on Korea’s approach to HRD have triggered a lively debate on the relationship between human development and sustainable economic growth. By investing in viable HRD practices, Korea is setting up a socioeconomic and cultural framework that promises to deliver on sustainable economic development.

# Conclusion

 In summary, this paper has highlighted the main issues that continue to shape discourse on HRD. In today’s dynamic environment of globalization, nations are keen to adopt HRD policies that will enable them deliver on the vision of sustainable economic growth. To achieve this vision, the countries must be able to maintain a balance between changes and continuities. The case of Korea demonstrates that proper choice of HRD strategies and practices can lead to sustainable economic growth. In the meantime, researchers will have to continue pondering over the issue of what precisely needs to be sustained in an economy. Most research is likely to focus on ways of tweaking T&D so that it is positively related to sustainable economic growth. Lastly, national and regional perspectives will continue to influence international conceptualizations of HRD.

# References

Anand, S. & Amartya, S. (2000). Human Development and Economic Sustainability. *World Development, 28*(12), 2029–2049.

Bae, J. & Lawler, J. (2000). Organizational and HRM Strategies in Korea: Impact on Firm Performance in an Emerging Economy. *Academy of Management Journal, 43*(3), 502-517.

Bae, J. & Rowley, C. (2003). Changes and continuities in South Korean HRM. *Asia Pacific Business Review,* *9*(4), 76-105.

Bae, J. (2004). Macro and micro approaches in human resource development: Context and content in South Korea. *Journal of World Business,* *39*(4), 349–361.

Brooks, K. (2006). Human resource development, social capital, emotional intelligence: Any link to productivity? *Journal of European Industrial Training*, *30*(2), 117 – 128.

 Lynham, S. (2006). National Human Resource Development in Transitioning Societies in the Developing World: Concept and Challenges. *Advances in Developing Human Resources*, *8*(1), 116-135.

McCleery, R. (2000). Human resource development and sustainable growth. *Malaysian journal of economic studies*, *37*(1), 27-51.

McLean, G. & McLean, L. (2001). If we can't define HRD in one country, how can we define it in an international context? *Human Resource Development International, 4*(3), 313-326.

McLean, G. (2004). National Human Resource Development: What in the World Is It? *Advances in Developing Human Resources*, *6*(3), 269-275.

Metcalfe, B. & Rees, C. (2005). Theorizing advances in international human resource development. *Human Resource Development International, 8*(4), 449-465.

Rowley, C. & Benson, J. (2004). Towards an Asian model of human resource management? A comparative analysis of China, Japan and South Korea. *The International Journal of Human Resource Management,* *15*(4), 917-933.

Zula, K. & Chermack, T. (2007). Integrative Literature Review: Human Capital Planning: A Review of Literature and Implications for Human Resource Development*. Human Resource Development Review*, *6*(3), 245-262.