

Sustained Growth Hinges on Human Capital Quality

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Countries need to create a new economy alongside their oil-based or one industry-based economies— through a paradigm shift that relies on absorbing the best elements of technology from the East and the West, as well as promoting human resources development to support the new direction of growth within the framework of its core religious and cultural values. On the question of economic diversification such an option could turn an economy around in line with the changes taking place in the global economy. In the process, it will help “create a new economy, and it will also position a comprehensive strategy to ensure the future well-being of a country and its region.”

This was the broad theme of the message delivered by Malaysian HRD experts on the occasion of a special lecture on “Human capital — the strategic lever for organizational transformation.” The HRD experts —Nazneen Abdul Rahim, Abdul Rahim Majid and Wan Ainun Zarina Wan Ahmad Radzi — were speaking from the Malaysian perspective on how a country could evolve its own development model by integrating benchmarks other than the ones established by western societies. Earlier, Essam Z. Tawfiq, president of human resources at Saudi Aramco and chairman of the Arabian Society for the Human Resources Management (ASHRM), said, ASHRM, established in 1991 in Dhahran, is a society dedicated to the management and development of human resources and the exchange of information and expertise in this area. The membership of ASHRM is open to all business and personnel management executives, students pursuing HRD degree courses, and individuals whose interests conform to the objectives of the organization.

In response to a question on how a country benefit from Malaysia’s experience in transforming its economy from that of a developing country to the status that it has currently achieved, Majid said “the most functional and best way is to be open and receptive to take the good from all possible sources, put them together and come out with a model that is uniquely your own. A pragmatic approach that carefully selects the relevant, putting aside the irrelevant, and then giving time for these various attributes to integrate is a better way to adopt. Definitely moving away from the old traditional models derived from 200 years of industrial revolution no longer provide the solutions to a totally changing environment.” He said Malaysia has set itself the target of 2020 to achieve “developed” status. There must be caution though, that even in looking elsewhere, relevant and sincere collaborators must be selected. “After all, in this ‘Age of Empire’ , national security considerations and cultural identity must be given priority. This, too, has been Malaysia’s consideration throughout the leadership of its fourth Prime Minister.”

Challenges exist. “A potential pitfall could be trying to achieve too much with talent stretched too thinly. Therefore, a fine balance between speed, and consolidation would have to be managed should these best of intentions be thwarted.” The biggest challenge, he pointed out, was that these advancements should be made while preserving the value integrity of the people, culture and religion. He stressed the importance of human capital that gives a distinct advantage to the nations. “Learning from the best and yet protecting the core beliefs is the way to go forward.” Abdul Rahim and Wan Ainun Zarina Wan Ahmad Radzi explained that education played a key role in “producing young persons from vocational institutes that concentrated on producing sub-professionals and blue-collared technical workers to feed the growing industrial base in the country. The decade of the 70’s therefore saw human capital progress targeted to support that industrialization strategy in the country.” The next stage up the educational ladder was to produce graduates oriented toward high technology-related activities. The dawn of the IT era set the stage for preparing students who could take on the challenge of the knowledge-based economy. This made the government-sponsored Multi-media Super Corridor (MSC) a great success as it placed Malaysia upfront among the IT-based economies.