

Faculty of Arts

Faculty of Arts - Papers

University of Wollongong

Year 2006

Human Resource Development: For
Enterprise and Human Development

D. J. Kelly
University of Wollongong, di@uow.edu.au

This paper was originally published as Kelly, DJ, Human Resource Development: For Enterprise and Human Development, Proceedings of the 14th World Congress of International Industrial Relations Association (IIRA), Social Actors, Work organization and New Technologies in the 21st Century, Lima, Peru, 2006.

This paper is posted at Research Online.
<http://ro.uow.edu.au/artspapers/114>

Human Resource Development: For Enterprise and Human Development

Diana Kelly
School of History and Politics
University of Wollongong
NSW AUSTRALIA

ABSTRACT

The term human resource development, or more commonly HRD, is widely used. Yet it has ambiguous connotations, since it may refer to increase in human capacities, rights and entitlements from a business or an economic perspective, or as an instrument of human development, particularly in developing countries, which enables personal and societal advancement toward economic progress and democratic self-determination. It is important to distinguish the forms and varieties of HRD if human development is to be balanced. Moreover, HRD may be delivered by public organisations such as governments, NGOs and supranational organisations, such as the United Nations, or by private corporations. This paper seeks to evaluate and review understanding of approaches to HRD, taking particular account of the objectives of programmes of education and training and the providers.

Human Resource Development: For Enterprise and Human Development

ABSTRACT

The term human resource development, or more commonly HRD, is widely used. Yet it has ambiguous connotations, since it may refer to increase in human capacities, rights and entitlements from a business or an economic perspective, or as an instrument of human development, particularly in developing countries, which enables personal and societal advancement toward economic progress and democratic self-determination. It is important to distinguish the forms and varieties of HRD if human development is to be balanced. Moreover, HRD may be promoted or delivered by public organisations such as governments, NGOs and supranational organisations, such as the United Nations, or by private corporations. This paper seeks to evaluate and review understanding of approaches to HRD, taking particular account of the objectives of programmes of education and training and the providers.

INTRODUCTION

The term human resource development, or more commonly HRD, is widely used. Yet it has ambiguous connotations, since it may refer to activities aimed at increasing human capacities, rights and entitlements from a business or an economic perspective, or as an instrument of human development which enables personal and societal advancement toward economic progress and democratic self-determination in developing countries. Moreover, HRD may be delivered by public organisations such as governments, NGOs and supranational organisations, such as the United Nations, or by private corporations. This paper seeks to review understanding of approaches to HRD, taking particular account of the objectives of programmes of education and training and the providers.

In so doing, the paper explores changes in broad approaches to human development so that policy-makers, scholars, professionals can propose, initiate or analyse the ways in which HRD can contribute to all facets of development. . In recent years, international economic volatility and political instability have engendered a reordering of priorities with regard to the notions of development. (Anand and Sen, 1994; Stiglitz 1997 1999a; Sen 1996; Sen and Wolfensohn 1999) For much of the postwar era, but particularly from the 1960s, governments and international financial agencies emphasised economic growth as an end in itself (Stiglitz, 2002). Economic growth is clearly a central requirement in human development, especially for developing economies, but sustained and balanced development rests on broader growth and involvement of citizens in society and polity. For some time, the Asian 'tigers' were used to demonstrate that rapid economic growth led to an increase in per capita income. However, events such as the Asian financial crisis of the late 1990s underlined, economic growth is not an end in itself, but rather a means to an end, which is human development. The objective of this paper then is to understand the different and competing notions of HRD and the goals of providers and policymakers.

HUMAN DEVELOPMENT AND HRD: COMPETING APPROACHES

Human development refers to the capacity of individuals to reach their potential within a society where political and economic processes are transparent and sufficient to provide participation in

decision-making. As former President of the World Bank, James Wolfensohn, asserted, "The message for countries is clear: educate your people; ensure their health; give them voice and justice;... and they will respond." (World Bank 1998) Thus from the World Bank's perspective, human development depends on investment in social and political capital, which when integrated with infrastructure, and 'sound' and appropriate economic and financial policies, mean that individuals and societies reach their potential.

More explicitly, then, development is:

... a process of expanding the real freedoms that people enjoy. These freedoms are both the primary ends and principal means of development. They include the freedom to participate in the economy ... freedom of political expression and participation, social opportunities including entitlement to education and health services, transparency guarantees involving freedom to deal with others openly, and protective security guaranteed by social safety nets, ... honest governments, open legislative and transparent regulatory systems ... an effective and impartial legal system, with protection of and support for rights ... [as well as] physical infrastructure .. energy, roads, transportation and telecommunications. (Sen and Wolfensohn. 1999)

The goals of human development, then, are not just wealth-driven, although economic growth is necessary (Sen 1998; Stiglitz 2002). Rather, the goals of human development are directed at obtaining the benefits of, at least, core standards of health, welfare and education that are essential for citizens to participate fully in all aspects of social, economic and political life (World Bank 1999). If these latter are to be achieved then social, economic and political policies must be congruent with these objectives. Thus ideal models of human development are multi-dimensional, with each of the dimensions being integrated into the broad framework as set out by Sen and Wolfensohn (1999) above.

An alternative notion of development is that which takes economic growth as the primary outcomes for individuals and institutions. In the 1970s and 1980s, many policy-makers and analysts at all levels claimed that economic growth was the primary human goal, in which human development, seen mainly as a social issue, was an outcome. To achieve growth, argued economist Pei Minxin, countries

must undertake economic reforms, especially the ones that protect property rights, promote free enterprise, and enhance macroeconomic management. ... [moreover] .. economic liberalization is less likely to be suppressed since it poses no political threat to regimes (*Asiaweek*, 9 April 1999, pp.53-4).

While such assertions and their underpinning assumptions may be questioned by scholars, they nonetheless reflect the credos of many scholars and policy-makers. (for some discussion of this, see e.g. Baum and Lake, 2003). Indeed, Minxin rejects the need for democracy or the freedoms asserted by Sen and Wolfensohn, and, instead, places highest priority on advancing private enterprise.

The foregoing examples provide two parts of the spectrum of what of many term “human development”, but they are significant for their focus of this paper, the principles, processes and possibilities of Human Resource Development (HRD). As noted above, the term, HRD, has been used widely in economics, business, trade organisations and NGOs, it has multiple meanings. Despite such ambiguities, analysis frequently assumes that there is only one set of principles and practices, that HRD is a clear and uncontested concept. (Schermerhorn, 2005;) There are certainly a few overlaps between different forms and ideals of HRD. For example, regardless of definitions and practices, HRD is seen by all its various exponents and practitioners to contribute towards development. Thus it is a subset of broader goals. But there are significant differences in those broader goals, and HRD is indeed subject to competing definitions and drivers.

In this paper I will consider four alternative approaches, as is shown in Table 1 with a view to understanding what are the ideals, limits and underpinning assumptions of each approach. Firstly broad development notions promoted or provided by Governments, NGOs or supranational organisations are considered (Row (1)), after which the business or enterprise oriented approaches will be investigated, taking into account not only the roles to which business corporations aspire, but also the ways in which States and supranational NGOs have shifted towards a business orientation (2 & 3). Finally the paper will examine what at first sight may seem curious – the ways in which corporations might promote and provide HRD for the betterment of the society and polity, that is, from a perspective of advancing broad development (4).

Table 1: Four models of HRD

	OBJECTIVE	PROVIDED OR PROMOTED BY
(1)	Broad development oriented	Governments, NGOs or supranational organisations
(2)	Enterprise oriented	Corporations
(3)	Enterprise-oriented	Governments, NGOs or supranational organisations
(4)	Broad development oriented	Corporations

HRD: THE BROAD DEVELOPMENT-ORIENTED APPROACH

For many the notion of HRD retains its early and broadest definition as

the process of increasing the knowledge, the skills, and the capacities of all the people in a society. In economic terms it could be described as the accumulation of human capital and its effective investment in the development of an economy. In political terms. human resources development prepares people for *adult participation in political processes, particularly as citizens* in a democracy. From the social and cultural points of view, the development of human resources *helps people to lead fuller, richer lives* (Harbison and Myers 1964, cited in de Silva 1997) (emphasis added)

This older ideal of HRD has multiple dimensions which reflect the full gamut of individual needs and rights. In this respect HRD is focussed on capabilities and entitlements in a society, and as such, HRD is integrated with other development issues such as infrastructure and basic human rights. Thus HRD is a subset of that much wider class of processes pertaining to human development. Within this broad approach, HRD, "the process of increasing the knowledge, the skills, and the capacities of all the people in a society", is thus a necessary but not sufficient element of the broader development objective.

This economic or development approach to HRD has a long history with high levels of scholarship in the modern era. Adam Smith noted that the capacities of individuals depended on their access to education. In the 1950s, the development-centred HRD approach encompassed the new development economics, (Hirschman 1981; Lewis 1955; Myrdal 1968) augmented, *inter alia*, since then with the development of human capital thesis and the writings of development economists such as recent Nobel Prize winner Amartya Sen. The development orientation indeed draws heavily on work of scholars like Sen, who focus on core capacities and entitlements of individuals as the basis for analysis. To expand an individual's "entitlements" and "capabilities" (Sen 1992; Anonymous, 1999) is to 'develop' that individual in order to develop the society and economy. In other words, the development-orientation to HRD is a subset of the broader issues of development and is based on broad goals of enhancing individuals' rights and capacities.

Such an approach is different from the narrowly economic perception of development which has at its core financial-economic expansion and trade growth. These were the priorities of major international bodies such as the IMF and World Bank until the late 1990s. Economic growth was perceived to lead automatically to wealth creation, which served as a proxy for development. Under this regime, free markets and trade liberalisation were prescribed as the means to economic growth and so development. Under such a paradigm, measuring development occurred by simple indicators such as GDP per capita or economic growth rates. However, it has been recognised that such prescriptions would leave human development too much to chance. Furthermore, it has been widely demonstrated that indicators such as GDP per capita give no information on distributional issues, who has access to benefits or how far these obtain the capability to be healthy or the choice not to have children.

In recent years, then there has been a resurgence of interest in the development perspective of HRD, the promotion of "equity, poverty alleviation, and quality of life" (APEC, 1997) through development of education and 'citizenship', and improved access to health. From this perspective, policy approaches may be both defensive, through setting minima (core human and labour rights), and proactive, through targeted policy responses to development indices such as the Human Development Index. These approaches comprise the core of the development-oriented HRD.

Indeed the Human Development Index (HDI) was devised as a means to measure the core outcomes of HRD. While mindful of the limitations of such an index (UNDP 1998) the creators of the index, sought to overcome the rather more serious limitations of the narrowly economic measure of GDP per capita by deriving an index of development based longevity, (which reflects health, infrastructure and income) knowledge (which reflects access to education at all levels) and standard of living (which reflects access to employment, social safety nets and infrastructure).

What the HDI lacks are other measures of development. According to the UNDP, human development comprises four core areas, human rights, collective well-being, equity and sustainability, and in order to begin "expanding people's capabilities and functions" (UNDP 1998) other indices have been devised. While such indices reveal the usual problems of simplification, they nevertheless direct attention to deficiencies and problems *in order to promote human development*. HRD in its development-orientation therefore reflects the original definition of Harbison and Myers, and the more recent goals of Sen and Wolfensohn (See also Stiglitz 1998, 1999). Acknowledgment of the ideals of the development-oriented HRD is evident in the goals of most international organisations. Certainly, as noted above, part of the mission of Asia Pacific Economic Cooperation (APEC) takes the broad approach in its insistence on the promotion of "equity, poverty alleviation, and quality of life" (APEC 1997)¹. However, the programmes have to date been much narrower. In the following sections, a second conceptualisation of HRD will be investigated with particular reference to APEC and to the ILO's interests in development.

APEC, ILO AND ENTERPRISE-ORIENTED HRD

APEC was founded in 1989 at a meeting of senior government leaders of thirteen countries for the purpose of developing and enhancing regional economic cooperation. It was primarily a response to the development of trade blocs in other regions, to the Uruguay round of trade negotiations and the eventual institutionalisation of trade liberalisation in the formation of the WTO. While the driving forces of APEC were economic growth and trade liberalisation, the organisation also announced its commitments to the enterprise oriented HRD. These ideals are expressed most succinctly in the Joint Ministerial Statement in Seattle Washington in 1993

The people of the Asia Pacific region are its single most important asset. The dynamism of the region is reflected in changing human resource needs Ministers expressed satisfaction with the progress achieved in APEC's human resource development activities but urged that continued priority attention be devoted to this work with particular emphasis on the training and adjustment needs necessitated by changing trade patterns, industrial restructuring and other economic changes ... (APEC 1993, p.4)

The goals of APEC were thus aimed at training in order make employees fit changing needs of business. By 1998 APEC comprised 21 countries² and had extensive infrastructure in all its core areas of activities. The Asian financial crisis was of primary concern, but given the effects on labour markets and social issues, HRD was seen as an important element of responding to the crisis. The APEC responses are analysed lucidly and cogently elsewhere, (Haworth 1998; Haworth and Hughes 1998), but can be best summarised as retraining, relocation and redesigning

¹ The OECD Development Assistance Committee (1997, pp.74-6) is even more insistent and notes that "human rights and development are not divisible, but that development is a subset of human rights ... development co-operation has no legitimate task beyond the achievement of human rights".

² The list of countries is evidence of the breadth of the Asia Pacific. The thirteen original members were Australia, Brunei, Darussalam, Canada, ,Indonesia, Japan, the Republic of Korea, Malaysia, New Zealand, , the Republic of the Philippine, Singapore, Thailand and United States of America . During early 1990s Chile, the People's Republic of China, Hong Kong China, Mexico, Papua New Guinea, Chinese Taipei also joined APEC and in 1998, the membership of Peru, Russia and Vietnam was agreed.

training for key workers (APEC 1999). Haworth (1998) makes the point that most of individual country and APEC responses dealt with the symptoms of the Asian crisis but not the long-term structural factors. Taking a long-term focus, Haworth and Hughes (1998) emphasise the significance of broader educational and structural change as ideal core components for ameliorating the effects of crises such as the 1997-9 Asian financial crisis. In so doing Haworth (1998) is intent on separating (a) the short-term 'fire-fighting' adjustments to employment and the labour market made urgent by the crisis and (b) the medium- and long-term workforce development in order to achieve "higher productivity, improved quality, increased flexibility, greater job satisfaction, ..." The approach of these critics of the APEC response is nevertheless the enterprise-oriented approach to HRD, insofar as the focus of their concern is to ensure employees 'fit' the needs of business (see also Luttrell 1997).

APEC was thus from the first an organisation for regional economic development. While most of the focus of the first APEC meetings (Canberra 1989, Singapore 1990) were on trade and economic issues, some cognisance was given to "Investment, Technology Transfer and Related aspects of HRD", (APEC 1989) including establishing

a comprehensive program for Human Resources development including identification of critical skills and gaps in know-how ... [and considering] programs to establish networks among educational and related institutions, the exchange of managers, scientific and technical personnel ... (APEC 1989)

Following its formation, the Human Resources Working Group,³ began a series of Ministerial Meetings on HRD from 1996. In part, their concerns were in response to the APEC Business Advisory Council (ABAC) which had voiced concerns that APEC HRD was too much in the hands of government. Consequently, ABAC had recommended greater private sector participation in designing human resources development programs in order to "raise efficiency as well as to foster the linkages between learning and work" (APEC, 1997).

That employees must fit enterprise needs had been strengthened in 1996 by the formation of a "Chief Human Resources Officers Network" within APEC.⁴ This group was expected to provide private sector / business inputs into APEC HRD, building on the increasing emphasis on the role of business in advising governments on aligning education with the needs of business. Thus in Kuala Lumpur in 1998, the economic leaders in APEC acknowledged that

The provision of technical skills undertaken by the public sector faces increasing constraints in terms of funds, expertise and equipment. The result is a mismatch between training and the real work environment. A more effective approach is to encourage a market-driven approach to skills training emphasising greater business participation. (APEC 1998, p.12)

³ As befits the modern plurilateral organisation APEC places strong reliance on acronyms. This group has always been referred to as the HRDWG for ease of reference.

⁴ The CHRN joined five existing networks which included the Network on Business Management, the network on Human Resources in Industrial Technology (HURDIT) and the Education Forum (EDFOR)

These recommendations were central to the Kuala Lumpur Action Programme on skills, and together with recommendations to 'spawn new entrepreneurs', comprised major aspects of APEC's HRD initiatives in 1998.

In the Seoul Declaration of 1991, APEC leaders emphasised the organisation's commitment to economic growth through economic cooperation, and particularly referred to "the important contribution of the private sector to the dynamism of APEC economies" and the need for more active participation of the private sector. It was not surprising, therefore, given APEC's focus and commitment to growth and to the private sector, that HRD within APEC emphasised its enterprise orientation. In this respect, the Human Resources Working Group has increasingly placed reliance on business to advise governments on education and skills development, since even the content of basic education can be designed to be more closely aligned to business needs, than towards those of civil society. Thus by 2005 Priority was given to "...training, and skills development at all levels, with a particular focus on preparing for the transition to the 21st century (ie from basic education, through vocational and technical skills training, to professional and executive development for management of change". This is emphatically not to dismiss such directions, which are clearly important for a trade cooperation organisation such as APEC.

What might be seen as more surprising at first glance is priority given by the International Labour Organisation (ILO) to enterprise-oriented HRD. As a tripartite international organisation, the ILO had from the first given high priority to development focussed HRD, for ethical, political and economic reasons. The ethical and humanitarian grounds rested on the view that increasing exploitation and poverty were unacceptable in a progressive global society, while the political grounds rested on the assumption that immiseration would cause "unrest so great that the peace and harmony of the world are imperilled" (ILO 1919). It was the economic grounds which drew also on ethical considerations in demonstrating the need to remove deterrents to human development. In this respect, the ILO saw itself as removing the disadvantage when social and economic improvements increased the cost of labour, insofar as

the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries (ILO 1919).

Since 1919, ILO Conventions and Recommendations, together with the supporting programmes and Technical Assistance, have been designed and implemented based on the underpinning principle of the centrality of human development. For the ILO, the fundamental expression of such principles could be found in the core labour standards (Castle, Nyland and Kelly, 1998). Given the organisation's focus on labour-as-employees, it is perhaps not so surprising that the ILO has long been involved in elements of HRD in all its definitions. The organisation's publications have frequently noted that HRD extended beyond the employment relationship to core capabilities and entitlements of human development, and the importance of nutrition, education and the like. Convention 142 and Recommendation 150 (ILO, 1975) are the two primary HRD instruments, and both deal with the notion of vocational training

directed to identifying and developing human capabilities for a productive and satisfying working life, and in conjunction with the different forms of education to improve the

ability of the individual to understand and, individually or collectively, to influence working conditions and the social environment (ILO, 1975).

In recent years, however, as befits a tripartite organisation during times of economic volatility, the ILO has wooed its employer members more determinedly through its traditional employer programmes, and there has been evidence of an explicit shift to the enterprise-oriented approach of HRD. Thus at the ILO Workshop on Employer Organisations in Asia Pacific in the 21st Century in Turin in 1997, Gamerdinger (1997, p.2), who is a senior ILO employee, noted that new technology would not only accelerate the potential for increased global trade and sounder economic policies, but would also require "strategies to promote employment related human performance development". This in turn, the author opined, demonstrated the increasing truth of the saying that "all education is vocational education". In other words, there was within the ILO, a redefined notion of HRD toward the narrower enterprise-oriented definition that had been adopted by trade organisations such as APEC.

Indeed, sections of the ILO have narrowed the definition of HRD and, further, stress that employees should be "accountable for their own skill development". There is also reference to the perception that HRD practices would be modelled on the 'best practice firms'. In particular, the HRD proposals emphasise the need for employee orientation and corporate citizenship

... designed to help ensure all new employees develop a firm foundation in the company's values - culture, traditions and philosophy of customer service as well as bond with the company and its quality vision ... The purpose of training in corporate citizenship is to have workers who are knowledgeable about the history, culture, traditions and values of the company. The aim is to engender strong feelings of belonging to the company (ILO 1996, p.11).

What might facilitate the active promotion of congruence between the individual employees' values and company visions is the greater role given to business in the content and provision of basic education. As the ILO *Policy on Employers' Activities* notes,

Employers' organizations can influence the direction and quality of education to conform to business needs and encourage symbiotic relationships between enterprises and schools / teachers There is a gradual shift from training as a responsibility of government ... to one of shared responsibility, ...to improve general skills, but more particularly firm-specific skills (ILO, 1998, p.11).

In this respect, the primary objective of education is portrayed as simply preparing individuals for work and assisting business in their training of productive and loyal employees. On the other hand, the ILO, in effecting its goal of 'decent work' which became an increasing priority early in the twenty-first century, have argued that with HRD. "The economy becomes more productive, innovative and competitive through the existence of more skilled human potential. Human resources development and training also underpin the fundamental values of society - equity, justice, gender equality, non-discrimination, social responsibility, and participation." (ILO, 2004)

BROAD DEVELOPMENT HRD BY ENTERPRISES

As any textbook in management literature demonstrates, HRD from a managerialist perspective refers to the upskilling of employees as a means of improving a firm's efficiency or productivity. (Delahaye, 2004; Analoui, 1999) Larger enterprises tend to have their own training and development departments, while small organisations draw on the burgeoning HRD consultancy industry. When wider issues of HRD and development are considered by business commentators, these tend to reflect the enterprise-oriented approach to HRD, emphasising the importance of education for business needs, and the ways in which business growth enhances economic development.

In recent years, a different approach has been taken by businesses which have absorbed ideals of corporate social responsibility. Itself a contested term, *corporate social responsibility* (CSR) can at its broadest be taken to mean the principles, policies and activities of firms which have in part at least, an altruistic objective not directly related to profits, share prices or costs. The International Organisation of Employers (IOE, 2003 p.2) for example, defines CSR as "initiatives by companies voluntarily integrating social and environment concerns in their business operations and in their interactions with their stakeholders."

While researchers in the large body of literature all agree that these sorts of elements are essential to CSR, there is immense variation in what is included and excluded as essential attributes of CSR, and in what is emphasised either conceptually or in practical strategies. This partly reflects the multiple conceptualisations of CSR, evident in much of the literature. Scholars in particular are concerned that the multi-layered understanding of CSR weakens the potential for firms to demonstrate genuine excellence. Moreover, there is a strong body of criticism of CSR, highlighting in particular the potential for creating images rather than making genuine change, or simply legitimising or obfuscating the activities of large multi-national companies. (Jones, Doane)

Nevertheless there are some regularly cited CSR activities which are seen as beneficial for employees, communities, and the environment. These can be designated as internal or external programmes and activities. Internal CSR covers those activities by and for employees including employee training and education, volunteerism and occupational health and safety, while external CSR encompasses public activities such as philanthropy, public health and environmental initiatives and local community engagement, particularly education and training.

It is to these latter CSR initiatives to which we now turn. In particular it is important to focus on education and training which contributes to Broad Development. As noted above, some education and training may be to generate apt employee skills, attributes and attitudes. What is mainly at focus here, though, is education and training of employees and communities in order to increase their capacities to participate effectively in society and the polity.

As Stiglitz (2002) has noted "[d]evelopment is a participatory process.", but there are prior skills required for active participation. It has become increasingly evident for example that illiteracy or a lack of education weakens the trajectory of development. Obviously education and capacity to participate are not of themselves sufficient attributes for development, but they are certainly necessary. As noted above, education and training for business is also not of itself sufficient for participation. At the same time business liberal ideologies of organisations such as the IMF and World Bank have had the effect of limiting government spending on public services such as education. At the same pressure has been applied to businesses to participate more fully in society and the polity. In this respect then, it seems possible that corporations may be able to promote

and provide HRD not only for firm specific ideals, but also to enhance individuals' capacities to participate and engage in civil society.

Corporations and Broad development-centred HRD in three major steel companies

The steel industry provides some useful brief examples of development centred HRD because steel is an essential product which can be up to five per cent of a nation's gross domestic product. Moreover steel is a truly global industry - over 40 per cent of the billion tonnes of steel produced a year is exported. The industry has long been characterised by uneven development and cyclical patterns between steel shortages and overproduction. In early 2006, the steel industry was continuing in a boom phase, primarily because of rapid developments in transition economies, especially China and India.

Integrated iron-and steel-making plants are also a major footprint in any region, in terms of the movement of materials, the use of services, direct and indirect employment, and emissions. The "steeltown" ethos has engendered close-knit communities, even in the recent dynamic era. It is perhaps not surprising then that steel companies have long had a history of local HRD and community engagement. The three companies are briefly surveyed here. Usiminas is a major steel company in Brazil, while POSCO in Korea and Tata Steel in India are among the most successful. (Kelly, 2005)

POSCO has a comprehensive and active CSR programme, including a very large volunteering programme in which employees at all levels take part, as well as extensive philanthropy and community engagement programme. In terms of HRD, POSCO has made a significant imprint on local education, having founded 14 schools and a prestigious university. What is perhaps most germane for this paper is the companies lifelong learning programme which allows employees five to ten study days each year to undertake learning projects of employees' choice. While such paid study can include courses to increase work competences or appreciation of company values, it also includes liberal arts. This is rare in any company education and training programmes, as perhaps reflects the earnest approach to HRD taken by the Korean steelmaker.

USIMINAS also has extensive CSR programmes, in particular funding schools and full scholarships for disadvantaged children, as well as providing a wide range of educational opportunities, which draw on development-oriented criteria set by UNESCO aimed at enabling improved access to education. USIMINAS has also sought to provide Basic and Intermediate education for its own employees since 1995. In recent years nearly two thousand employees each year have graduated from these programs.

Of all the steel companies, Tata Steel in Orissa, India has the longest tradition of corporate social responsibility which, despite the fact that it is wholly unionised, rests on its welfare capitalist origins and traditions. (Kaufman et al, 2003) Situated in the north eastern province of Jharkhand, Tata Steel's headquarters and main plant are in the planned company town of Jamshedpur, where even today the utilities and infrastructure are run by Jamshedpur Utilities and Services Company, a wholly owned subsidiary of the company. Throughout its history Tata steel has provided broad education not only for its employees and their families and others within the city of Jamshedpur, but indeed throughout the state of Orissa. Beyond education for literacy and numeracy, the company has also assisted farmers and small start-up businesses with training and equipment as well as supporting self-help groups and community groups to identify and achieve community goals. Beyond that Tata has also provided extensive HIV/AIDS education and support. In 2004 the company provided Adolescent Reproductive Sexual Health programmes a large number of

adolescents in 34 slums and 689 villages. As well as general education programmes within the company, Tata also, for example has ensured its undertakings and codes in areas such as ethics and antidiscrimination are realised fully through comprehensive training, courses, and systems of assistance.

While it is evident that Tata Steel has a highly developed set of programs and policies which focus on broad development centred HRD, the initiatives undertaken by POSCO and UMINAS also demonstrate the ways in which large companies can offer schemes which enhance education and understanding of those in their communities in ways which will contribute participation in society and polity. The potential for companies to contribute to Broad development is considerable.

SHARED AND COMPETING ATTRIBUTES OF APPROACHES TO HRD

In many respects, the "enterprise" and "Broad development" approaches to HRD cover some of the same ground. Acknowledgment of the importance of human capital is an unstated assumption within both definitions. Improving human capital has been most clearly demonstrated in the Asia Pacific, and indeed has almost become a cliché in discussions of the 'Tiger' economies. In Korea in particular, policy makers decided that the inadequacy of human capital had to be comprehensively addressed a quarter of a century ago, with the result that the contribution of the Korean education and training policy has been widely attributed to that country's economic success. Similarly, there is widespread evidence that economic growth is a necessary component for development. Scholars committed to the broad definition of development (and allied role for HRD) are adamant the economic advancement is an essential component of human development (Stiglitz 1999, Sen 1992).

The enterprise oriented approach to HRD differs greatly from the development approach in two major respects. Firstly, the human development approach draws in part on moral theory and ethical argument, as well as economic theory. For example, as Singer (1993) has argued, the notion that a global society ignores inequalities of wealth, lack of access to education or nutrition, and political repression is dependent on the belief that those with access to good health, nutrition or education are not morally responsible for others in society. This is clearly a value laden assertion, as Myrdal has successfully demonstrated, and assumes that individuals hold moral and ethical beliefs. On the other hand the human development approach is no more value laden than an enterprise-orientation which holds that social, political and economic freedoms are unimportant relative to business success. The enterprise approach is thus also value-laden by its very rejection of moral and ethical considerations.

As Stiglitz (1999) and Sen (1999) have shown, broad spectrum human development objectives which are achieved partly through development-oriented HRD, also have positive economic outcomes in terms of open government, social cohesion and even more mobile and flexible workforce. Education and politico-social initiatives to attain transparent financial processes and genuine public debate can ensure an absence of 'graft' and efficient transactions, as well as genuine human development. It is not that such things can be achieved immediately - just as a notable British academic has insisted, 'you cannot change organisational culture like changing your trousers', so the social and political institutions of NICs, 'Tigers' and the like cannot instantly osmose notions of open participative government and broad access to education and health (*Asiaweek* 1999, p.5).

This perception was apparent in the HRD prescriptions in APEC and the ILO noted above. Both of these organisations claim commitment to broad issues of development, and indeed much of the work at the ILO continues to uphold the broader approach, but beyond the level of generalities, there are explicit and detailed expressions of enterprise-oriented HRD in the programmes and publications of both organisations. By focussing on business development, the enterprise-oriented approach to HRD marginalised or eliminated the social and moral elements of development. It seemed, therefore that HRD had been captured by business and institutions promoting business, including governments, and distilled to remove the broader social elements. There are potent long term implications of such a shift if it continued. If education and training are designed to habituate individuals to aspire to concepts such as organisational loyalty on the one hand, and the need to accept employment insecurity on the other, then social values will shift away from notions of freedoms and rights. This is particularly true of the employment relationship, because, as yet another British academic has argued, the best analogy for the modern enterprise is "a miniature *undemocratic state*".⁵ Rather, the enterprise-focussed HRD relies on acceptance of reduction of freedoms. The insistence on organisational commitment, for example, implicitly rejects concepts of freedom of speech, or at least freedom to express competing values. Yet, programs of HRD within sections of the ILO and APEC appear to have been shaped to delimit the development-focussed HRD and replace it with the enterprise focussed HRD. There may, of course, be unintended externalities in workplace specific training – employees who gain work skills are developing capabilities which can carry over to daily lives. Nevertheless, achieving balanced human development demands increasing capacities for involvement in the community, society and polity.

In this respect there appears a strong argument for exploring ways in which the burgeoning growth of CSR could be directed towards education and training of employees in community self-determination and towards active participation in society.

CONCLUSION: HRD A CONTESTED DOMAIN?

This paper has sought to to understand the direction and provision of HRD, and the objectives which might be set. Human Resource Development (HRD) has become a widely used term in the last half-century, but conceptions of the term vary widely. The broad notion of HRD, which is a subset of the grand theory of human development, includes not only education and vocational training, but also access to sources of a degree of self-determination. Within much of the business and management literature, the focus of HRD has been on the narrower objective of attaining or upgrading the skills and attitudes of employees at all levels in order to maximise the effectiveness of the enterprise. In the postwar years, these principles have swamped the broader development-oriented conception of HRD such that significant international organisations like the ILO and plurilateral organisations like APEC promulgated the business-defined concepts of HRD as if they were a general societal goal. The capture of development-oriented HRD has powerful and problematic implications for societies in developed and developing economies alike. On the other hand, as this paper has indicated, it is also possible for businesses to provide Broad HRD which can advance human development and participation in a variety of ways. The

⁵ Hyman (1972). Italics in original. It is clear that Hyman wrote this a long time ago - many modern enterprises are no longer miniature.

examples given in the paper from three international steel companies suggest that further investigation of this kind of HRD has some merit.

BIBLIOGRAPHY

- Anand, S. and Sen, A. (1994) *Sustainable Human Development: Concepts and Participation*, Occasional Paper, UNDP <<http://www.undp.org/hdro/oc8a.html>>
- Anonymous (1999) The Uses and Misuse of Amartya Sen, *The Economist*, 9 January, pp.37-8
- Analoui, F. (ed.) (1999) *Effective human resource development: a challenge for developing countries*, Ashgate, Aldershot, Hants, England
- APEC (1989) Joint Statement. First Ministerial Meeting, Canberra, Australia, November 6-7 <<http://www.apecsec.org.sg/virtualib/minismtg/mtgmin89.html>>
- APEC (1993) Joint Statement: Fifth Ministerial Meeting, Seattle, Washington, USA, November 17-19 <<http://www.apecsec.org.sg/virtualib/minismtg/mtgmin93.html>>
- APEC (1996) Joint Ministerial Statement: Call for Action on Human Resource Development, Meeting of APEC Human Resource Development Ministers, Manila, January 11 <[apecsec.org.sg/virtualib/minismtg/mtghrd96.html](http://www.apecsec.org.sg/virtualib/minismtg/mtghrd96.html)>
- APEC (1997) Joint Ministerial Statement: 2nd Meeting of APEC HRD Ministers, Seoul, Korea, September 26 <<http://www.apecsec.org.sg/virtualib/minismtg/mtghr97.html>>
- APEC (1997) APEC Economic Leaders' Declaration: Connecting the APEC Community, Vancouver, Canada, November 25 <<http://www.apecsec.org.sg/virtualib/econlead/vancouver.html>>
- APEC (1998) APEC Economic Leaders' Declaration: Strengthening the Foundations of Growth, Kuala Lumpur, Malaysia, November 18, p.12 <<http://www.apecsec.org.sg/virtualib/econlead/malaysia.html>>
- APEC (1999) APEC Economic Leaders' Declaration: The Auckland Challenge, Auckland, New Zealand, September 13 <<http://www.apecsec.org.sg/virtualib/econlead/nz.html>>
- Asiaweek* (1999) Democracy and Crisis: Openness, Participation and Accountability Become the New "Asian values", April 9, pp.52-6
- Baum, M and Lake, D (2003) *The Political Economy of Growth: Democracy and Human Capital*, *American Journal of Political Science*, 47, 2, April, pp.333-47
- Bagchi, A. K. (1999) Recognition of Complexity leads to Humane Solutions, *Frontline*, 16, 13, July
- Castle, R., Nyland, C. and Kelly, D (1997) International Migration and Labor Regulation, *Asian Migrant*, vol. X, no. 3 (July-September)
- Delahaye, B.L. (2005) *Human resource development : adult learning and knowledge management*, Wiley Milton, Queensland (Aust)

- Development Assistance Committee Expert Group on Aid Evaluation, *Evaluation of Programs Promoting Participatory Development and Good Governance, Synthesis Report*, OECD, Paris 1997
- da Silva, S. (1997) Human Resources Development for Competitiveness: A Priority for Employers, Paper presented to the *ILO Workshop on Employers Organisation in Asia Pacific in the Twenty-First Century*, May
- Gamerding, G. W. (1997) Employers' Organizations and Human Resource Development in the 21st Century: Views from South Asia, Paper presented to the *ILO Workshop on Employers Organisation in Asia Pacific in the Twenty-First Century*, May
- Haworth, Nigel (1998) The HRD Dimension of the Asian Financial Crisis: Towards the Definition of an APEC Response'. A paper based on the APEC HRD Task Force on the Human Resource and Social Impacts of the Financial Crisis Experts' Meeting (Jakarta, April 1998) presented to the APEC HRD Working Group on the Financial and Economic Crisis Symposium, Chinese Taipei, June
- Haworth, Nigel and Hughes, Stephen (1997) Labour Standards: Challenge or Opportunity for Business?, Paper presented to the PECC HRD Meeting, Montreal, May
- Hirschman, A. (1981) *Essays in Trespassing Economics to Politics and Beyond*, CUP, Cambridge (UK)
- Human Resources Development Recommendation,
<http://www.logos-net.net/ilo/195_base/en/report/annex2.htm>
- Hyman, R. (1972) *Strikes*, Fontana, London
- ILO (1919) Preamble: Constitution of the International Labour Organization, April.
<<http://www.ilo.org/public/english/about/iloconst.htm#pre>>
- ILO (1975) Convention Concerning Vocational Guidance and Vocational Training in the Development of Human Resources (C142), ILO, Geneva, June
- ILO (1975) Recommendation Concerning Vocational Guidance and Vocational Training in the Development of Human Resources (R150), ILO, Geneva, June
- ILO ACT/EMP (1997) Report of the Workshop on Employers' Organisation in Asia Pacific in the Twenty-First Century, May
- ILO ACT/EMP (1997) Human Resource Development in Asia and the Pacific in the 21st Century: Issues and Challenges for Employers and their Organisations, Paper Presented to the ILO Workshop on Employers Organisation in Asia Pacific in the Twenty-First Century, May
- ILO ACT/EMP (1998) *The ILO Policy Document on Employers' Activities*, ILO, Geneva,
<<http://www.ilo.org/public/english/225/actem/1998/policy.html>>
- ILO, (2004) Annex II: Resolution Concerning Human Resources Training and Development,
- Jones, Marc T., (1996) Missing the Forest for the Trees: a critique of the social responsibility concept and discourse, *Business and Society* (US), March, 35, 1 pp.7-42

- Kaufman, B. Beaumont, R and Helfgott, R. (eds) (2003) *Industrial Relations to Human Resources and Beyond: The Evolving Process of Employee Relations Management*, M. E. Sharpe, NY
- Kelly, D (2005) CSR in the International Steel Industry, Paper Presented to British Academy of Management Conference, Oxford University
- Lewis, W. (1955) *The Theory of Economic Growth*, Irwin, Homewood, Ill.
- Luttrell, T. (1997) *APEC after Subic Bay-the Road to Free Trade ('to boldly go where none have gone before...')*. Department of the Parliamentary Library Current Issues Brief 25 1996-97
- McCain, D. V. (1999) Aligning Training with Business objectives, *HRFocus*, Supplement, February, pp.s1-s3
- Munshi, D and Kurian, P. (2005) Imperializing spin cycles: A postcolonial look at public relations, greenwashing and the separation of publics, *Public Relations Review*, 376, (in press)
- Myrdal, G. (1968) *Asian Drama: An Inquiry into the Poverty of Nations*, Pantheon, New York, POSCO <<http://www.posco.co.kr/homepage/docs/en/s91a0010001i.jsp>>
- Sen, A. and Wolfensohn, J. D. (1999) Development: a coin with two sides, *The Hindu*, 6 May 1999, <www.hinduonline.today/stories05062528.htm>
- Sen, A. (1992) Development: Which Way Now? in C. K. Wilber and K. P. Jameson, *The Political Economy of Development and Underdevelopment* McGraw-Hill, New York (5th edition), pp.5-26
- Sen, A. (1997) Editorial: Human Capital and Human Capability, *World Development*, 25, 12, December 1997 pp.1059-60
- Shamir, R (2004) The De-Radicalization of Corporate Social Responsibility, *Critical Sociology*, 30, 3, pp.669-689
- Singer, P. (1993) *Practical Ethics*, Cambridge ; New York : Cambridge University Press 1993.(2nd edition)
- Stiglitz, J. (1998) More Instruments and Broader Goals: Moving Toward the Post-Washington Consensus, The 1996 WIDER Annual Lecture, Helsinki, Finland, January 7
- Stiglitz, J. (1999) Participation and Development: Perspectives from the Comprehensive Development Paradigm, Paper presented to World Bank Conference on Democracy, Market Economy and Development, Seoul. February
- Tata steel <<http://www.tatasteel.com/>>
- UNDP (1998) *World Development Report 1998*, UNDP, New York
- USIMINAS <<http://eng.usiminas.com.br/Secao/0,3381,13-304,00.html?cat=>>>
- World Bank (1998) *Development and Human Rights: The Role of the World Bank*, World Bank, Washington, D. C.