

PARADIGM SHIFT IN HUMAN RESOURCES DEVELOPMENT AND POLICY TASKS IN KOREA

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Abstract: With the change in the concept of human resources, paradigm shift is needed in activities to develop our human resources from now on. All the human resources development activities including education should be humanistic and be toward the cultivation of desirable attitudes and values, not just the instruction of knowledge and technology. In the knowledge information society, it became more important to raise the quality level of human resources. In the field of human resources development, the government should take a steering approach of indirect guidance through the operation of indirect incentive systems, to achieve the goals of the established plan(policy). In establishing and operating the system of human resources development toward the 21st century, several principles should be followed. First, human resource development should achieve a maximum of efficiency at a minimum of cost. Second, diversification and characterization should be promoted through autonomy and decentralization in operating the system. Third, everyone should be given appropriate opportunities to fully develop their potential and show their abilities in the right place.

THE CONCEPT OF HUMAN RESOURCES

The concept of human resources has been used in common with that of physical resources. In recent years, however, as the importance of financial and information resources is emphasized, the understanding of resources has changed with diversification of types of resources and a readjustment of their priorities.

Human resources has a broader meaning than manpower, which merely stresses the economic aspect. It implies comprehensive qualities including the aspect of values like such as information and morality as well as knowledge and technology, not just labor as a factor of production. In the end, human resources should be viewed as the concept of putting together a wide variety of qualities and characters of individuals. The Ministry of Education, the Republic of Korea has defined human resources as various valuable qualities and characters of individuals such as technology, information and

moral maturity to be equipped with for the development of the nation and society and the improvement in every individuals quality of life (Ministry of Education, 2000a).

As the 21st century begins, the national society where we live has been transformed into an information society from an industrial society in of the past, and recently, shows the characteristics of a knowledge-based society,. This is where knowledge and information become the most critical factor of production and the creation, sharing and use of knowledge are generalized across the society. Correspondingly, the elements of human resources like knowledge, technology and attitudes have their emphasis changed.

In the past, know-what concerning general information and specific facts was considered very important. In recent years, however, know-why concerning the principles and rules of a certain phenomenon and change, know-how that makes something possible, and know-who regarding who knows and does something in what way are appreciated as valuable (Foray and Hundvall, 1996). More weight is placed on tacit knowledge

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including wisdom through language and experience, aesthetics, and how to process information than codified knowledge which is easily conveyed by words or information & and communication media (Stevens, 1998). In this manner, as the breadth of knowledge is expanded and its emphasis is changed, the experience and wisdom that had been overlooked in the past were included in the elements of human resources.

In human resources in the past, expertise was considered as important, such as knowledge and technology needed for a certain duty. However, as knowledge and technology are change rapidly changed and organizations is become more highly developed, not only the ability to adapt oneself to a new environment but the relational relationship ability is also stressed. Great emphasis will be placed on the ability to perform a new duty in the future for example, language skills and information & and communication technology for coping effectively with the trends of globalization and information-as well as the one ability to raise the productivity of work at the present time. Furthermore, networking abilities like cooperative attitudes and persuasive power attract more attention in problem solving.

Human resource development (HRD) is defined as the formation (training) of human resources in a narrow sense, but usually referred to as the term in a broad sense, including placing trained resources in the right positions and making full use of them. To make clear this broad sense, the term of human resource development & and management may be used, which covers the whole processes of personnel management from recruiting (employment) to retirement, including continuous manpower development through retraining and self-development as well as placement and posting.

Pace et al. have interpreted human resource development in a broad sense and defined it as a comprehensive approach to integrate individual, career and organizational development into one and

improve an organizational system, by a variety of activities to increase effectiveness related to the operations of individuals, corporations and organizations (Pace, Smith & Mills, 1991). Individual development indicates the activities to understand strengths and weaknesses of individuals and develop their abilities, while career development means the process to grasp individual abilities of members of an organization and make them fully develop their potential and contribute to the organizational development through placing the right man person in the right place and career management. Organizational development is referred to as efforts to increase the management efficiency of the whole organizational system through the abilities of members and the increase in voluntary participation.

In the past, the formation (training) and the utilization (management) of human resource development had inefficiencies, made separately by different bodies. In recent years, however, the character as a synthetic process is highlighted to improve it. Therefore, human resource development can be referred to as both education and training activities to increase the efficiency and competitiveness of the nation and society by developing every individuals potential and quality, and a management system to maximize the utilization of trained human resources.

PARADIME SHIFT IN NATIONAL HUMAN RESOURCES DEVELOPMENT

The Concept of National Human Resource Development

From the national point of view, human resources can be thought of as the whole scale and general level of quality of manpower to be used for the maintenance and development of a nation, which designate requires various qualities and characters

of individual members such as knowledge, technology, information and morality to be equipped with for the an improvement in every individuals quality of life and the development of the nation and society.

Therefore, national human resource development means not only manpower development for the economic growth in industrial fields but also diversified national and social efforts. This includes including the administrative and financial activities and the an improvement in relevant structure and systems to cultivate primary academic and vocational careers and desirable moral character and values. In other words, it is a notion that generally indicates all the efforts to improve the qualities and abilities of every individual through education and training and to make use of available manpower as efficiently as possible on a national level.

A New Implication of National Human Resources Development

It is notable worth noting that in the past development period the rapid growth of Korea's national economy was made possible thanks to the abundant and high-quality human resources in spite of the shortage of natural resources, capital and technology. It had been aimed at the economic growth centering on labor-intensive light industries until the 60s and early 70s, and in those processes, the sufficient supply of labor of from middle and high school graduates was the main driving force which made such a growth possible. The growth strategy centering on the heavy chemical industry was performed in the late the 70s and 80s when labor forces of from vocational high schools, vocational training centers and junior technical college graduates were plentiful, and there were little few manpower problems. Though there has been a lack of labor in so-called 3D (difficult, dirty and dangerous) jobs since the 1990s, it is generally thought that in Korea human resources are not

restraints in any way in to economic growth.

However, things have been changed recently. The development of our human resources, particularly in education, which had been the motive power in economic growth and was believed to help us gain a comparative advantage over advanced countries, have lost their competitiveness in the world market. According to the International Institute for Management Development (IMD) in Switzerland, as of 1999, Korea's national competitiveness ranked 28th among 47 countries investigated, with human resources 26th and competitiveness of college education 43rd (Ministry of Education, 2000a).

The development system of human resources on a national level is emphasized because it is now considered as to be the core strategy of national development.¹⁾ It is widely known that human resources are the core of national competitiveness assessment. For example, Russia, ranking first in natural resources and 21st in human resources, is in distinct contrast to Japan which ranked lowest as 51st in natural resources but highest in human resources. The level of competitiveness among countries is depends on how deeply and extensively the talents, aptitude and qualities inherent in members of a nation are cultivated and utilized both in quality and in quantity. Therefore, the development efforts for human resources, having the whole country as a unit, are at the core of a national development strategy. Correspondingly, OECD member countries are attempting to be the first in making an educational reform and strengthening the function of a national strategy to efficiently foster and utilize human resources, given the awareness that the source of national competitiveness relies on the development of human resources.

1) Center for National Competitiveness Studies, The Institute of Industrial Policy Studies (IPS) (1999: 12), *1999 IPS National Competitiveness Report*, vol 2, p. 4~7 (Seoul: IPS).

Change in Circumstances of National Human Resource Development and Responding Paradigm

With the change in the concept of human resources as pointed out above, various circumstances involving human resource development have been changed. In response to those changes, a radical shift in paradigm is needed in activities to develop our human resources from now on.

Ideology and Purposes

In establishing ultimate ideology, escaping from the instrumental point of view that manpower is trained and fully utilized for economic growth, this matter should be viewed from a different angle so that the development and maximization of every individuals potentials through self-realization contribute ultimately to the development of the nation and society in the end. That is, human resource development is both a tool for economic and social growth and an ultimate goal of that growth. This is closely connected to the recent change in the term from manpower and human capital to human resources. The government philosophy should establish that it is the most critical mission of a nation, from the humanistic point of view, to create conditions for individuals to fully develop their natural talents and utilize them as democratic citizens or professionals.

In this respect, all the human resource development activities including education should be humanistic and be working toward the cultivation of desirable attitudes and values, not just the instruction of knowledge and technology. Diversity and autonomy must be secured, respecting individuals abilities and desires. Opportunities of human resource development for women and the deprived underprivileged should be expanded.

Coverage and Mission

National human resource development consists of

a series of policy and administrative efforts to fully develop every individuals potentials and to support and assist him them in showing those developed potentials to the utmost. The development and management of human resources can be divided into four stages on an administrative level. The first is the formation stage for the training and production of necessary human resources, and the second is the distribution stage for placing them in the right positions. The third utilization stage is to make them display their talents and qualities to the fullest through a reward system and improvement in working conditions, and the fourth preservation stage is to prevent their qualities from declining and assist them in maintaining their abilities. These stages are not necessarily passed through in consecutive order, however some are overlapped by each other.

For example, the educational training for the formation of human resources was created only in the adolescent years in the past, but now is extended throughout one's whole life, which has been overlapped in time and closely correlated with activities and preservation of manpower. While human resource development in the past had placed the focus on either formation or recruiting and utilization of human resources from a different angle of main bodies, it is recognised that inefficiency cannot be avoided without synthetic effective management.

The recruiting and utilization of human resources makes a great difference in quality as well as in supply and demand. At the early stage of industrialization, it was aimed to keep the balance of quantitative manpower supply and demand, and particularly, a sufficient supply to meet demand was a great mission. In knowledge information societies, however, it became a more important task to raise the quality level of human resources. More emphasis is placed on the formation and preservation of human resources equipped with higher mental capacity like creativity, analytical ability,

competence in problem-solving, etc. and a rational sense of values and attitudes rather than those with plenty of simple knowledge and technology.

Roles of the Government

Human resource development requires long-term plans, and has depended on regulative and managerial approaches under the condition of public functions. The policy can be taken as a typical example to allot a quota by the department in schools at every level including private schools and to try to meet the demand for technicians through vocational high schools and public vocational training centers.

However, the regulative and managerial approaches to human resource development, where the government suggests all the details of HRD in the form of a plan or a policy and manages them through direct intervention by making regulations and exercising compelling power for its realization, have been a typical example of government failure, because of the limitation in forecasting middle- and long-term manpower supply and demand, the expansion of HRD functions in the private sectors, and the like.

Currently, a consensus has been reached that the role of the government should be limited to taking a course rather than rowing in the field of human resource development as well as that of other economic activities. In other words, the government should take a steering approach of indirect guidance through the operation of indirect incentive systems, to achieve the goals of the established plan (policy).

Furthermore, differently from the past when human resource development was initiated by the government and made in centralization, private-initiated development should be made by leaving many functions to local governments to keep pace with the rapid change in knowledge-based society and to efficiently meet the field demand. It is desirable in the accomplishment of HRD policies

that the central government plays a role of guidance through planning, mediation and support while the local government and the private sector take charge of implementation and the government makes an appraisal in cooperation with the private sector.

Principles of System Operation

In the past industrial societies, as the economy of scale was oriented through mass production in the aspect of production, manpower development like education and training was also dependent on a collective and uniform method and made according to the policies and convenience of suppliers like teachers and educational institutions. The past development system of human resources was generally operated by the public sector, and therefore, the attainment of goals established by one-sided decisions took the central place with little thought of efficiency and responsibility. However, in establishing and operating the development system of human resources toward the 21st century, several principles should be followed.

First, efficiency and productivity should be raised in operating a system. Also, human resource development should achieve a maximum of efficiency at a minimum of cost, escaping from high cost and low efficiency. The principle of market economy through free competition should be applied, and that of selection and concentration need to be applied for the efficient distribution of the limited resources.

Second, diversification and characterization should be promoted through autonomy and decentralization in operating a system. In the 21st century knowledge information society which requires creativity and high adaptability, it is not desirable to foster stereotyped characters by standardized contents and methods of education in the development of human resources. By decentralizing functions and giving autonomy to local administrative bodies and private organizations, character-

istic development and utilization of diverse human resources should be encouraged.

Third, all the everyone should be given appropriate opportunities to fully develop their potentials and show their abilities in the proper arena. That is, essentially equal opportunity should be given and unfair systems and customs should be corrected in human resource development. Particularly, opportunities of human resource development should be enlarged for the deprived underprivileged and infirm, and it is important to solve the problem of unequal opportunity caused not only by economic, geographical and physical factors but also by the collection and acquisition of information.

Finally, the responsibility of human resource development activities should be strengthened in the public sector. It is true that people had have only a superficial understanding of the responsibility because human resource development is difficult to measure the performance. However, to raise the competitiveness of human resource development systems and increase the efficiency of investment, a systematic appraisal should be made of each educational and training institutions and the performance of persons people in charge and rewards corresponding to the result of appraisal should be accompanied. This responsibility of human resource development needs to be regularly examined on each administrative and national levels.

POLICY ISSUE OF HUMAN RESOURCES DEVELOPMENT

Formation (Development) of Human Resources

Sustainable Educational Reform taking the Initiative in the Realization of a Knowledge-based Society

Educational efforts should be focused on the cultivation of men people of ability who are able to display their potential in the knowledge-based

economy. The cultivation of new future knowledge-based industries is greatly dependent on the contents and quality of education and research & development, and therefore, the need for fostering creative intellectuals, who are competitive in high-technology industries such as information & communication, biotechnology, high-precision science and design, is a pressing matter.

The productivity at each level of organization which includes nations and corporations is largely dominated by creativity, adaptability and problem-solving ability of every all member individuals. Therefore, the construction of an efficient education system is needed to develop every member's individual intellectual potentials and show flexibility in coping with social changes. That is, comprehensive educational reform should be promoted to develop all the members of a nation as human resources. For this purpose, government-wide efforts to secure the national competitiveness through education are required by carrying out radical reforms of the educational paradigm to correspond with the forthcoming knowledge-based society in the 21st century (Hyun-sook Yoo et al., 1999).

Reorganization of School Educational Systems by the Generalization of Lifelong Education

To cope with continuous changes in the professional world under the system of a knowledge-based economy, even adults cannot must keep learning. Educational institutions at each level were reserved for a certain learners of school age in the past, but in future education, all the institutions should be opened as places for lifelong education which provide chances of reeducation whenever needed.

Substantiality of Primary and Secondary Education

To support the normalization of school education, pending educational issues must be settled without

delay, such as improvement in college entrance exams, strengthening of education for fostering democratic citizens and moral character, making classes substantial, complementation conforming to the policy of high school standardization, improvement in the quality of teachers, betterment of school conditions, solving the problem of overcrowded classes, and so on. High school and college entrance exams should be improved basically toward diversity and autonomy. For college entrance exams, efforts should be made for the establishment of a new system for selection from exams for the 2002 school year, and the policy of high school standardization is at the stage of asking requiring reform.

It is the most urgent necessity to restore trust in public education by expanding educational facilities and installing innovating innovative educational contents and methods at each level of school. For this purpose, the quality of education should be improved by continuously modifying school curricula at primary and secondary levels, establishing a required performance level of studies at each school and managing school affairs in strict fairness. In particular, a variety of efforts should be made to make vocational preparatory education substantial and raise the practicality of education by making a radical reform of vocational education systems. The expansion of investment in education is the most essential problem for this reform of systems and improvement in conditions.

Increase in the Quality Level and Competitiveness of College Education

Multi-sided efforts should be made to raise the quality level and productivity of college education. A hard-studying campus climate should be created with desire for research by managing school affairs in strict fairness and strengthening the performance appraisal of professors, and to support this, the investment in educational and research activities in universities should be expanded with the sup-

porting system improved. The investment to improve the educational conditions in universities should be greatly increased.

In addition, efforts to enhance the quality of academic degrees are needed and the connection between education and employment should be tightened particularly by establishing special degree courses. The support for and characterization of local universities will make create outstanding students produced in different places. Higher priority in policy should be given to the characteristic and complementary development of universities by dividing them into national, public, private, and research- and education-centered universities by function, and to the cultivating of manpower for various fields and occupations, rich both in quality and in quantity.

In particular, from the need to expand manpower development functions in strategic special fields, human resources in science & and technology and information & and communication will be the first focus of attention.

Strengthening of Vocational Education and Training for Adults

With the advent of time when lifelong education is inevitable, policies should be strengthened to vitalize continuing education for adults. At first, the efforts need to be made to strengthen in-house training in companies, and it should be facilitated to make educators motivated and substantial in quality by establishing a system to be approved as formal schooling linked to universities.

For future continuing and lifelong education, adult education and vocational training should be made to meet the demand of knowledge-based industries in the 21st century in educational contents and methods, by expanding cyber and remote education and solving the problem of limitation in time, space and economy.

Increase in Rationality and Autonomy of Educational Systems

Existing centralized and rigid educational systems cannot meet the diverse and unpredictable demands for education in each individual field. Recurrent trials and errors in the name of educational reform litter the past. Henceforth, however, standardized nationwide reform experimentation in education should be modified, and a reorganization of community & field-centered educational administrations and operating systems is required. The basic policy of college entrance exams should be improved to greatly increase every university's autonomy. High school standardization policies should be modified and supplemented in all aspects to increase diversity and freedom of choice in operational education by introducing diverse systems, including autonomous and self-supporting private schools, etc.

The efficiency of higher education systems should be raised through the reorganization of operating systems in major national universities, the reform of controlling structures in private universities, increasing autonomy in management and financial affairs in universities, and so forth. It is most urgent to expand educational funds, and particularly to raise the relative percentage of investment in higher education. However, it is inefficient to compete with advanced countries for human resource development in all fields with limited resources; therefore, the strategy of concentration and selection is regarded relevant to select competitive fields, and concentrate available resources and policy efforts on them (Tai-gi Kim et al., 2000).

Distribution of Human Resources

Tightening Connections between Qualifying Examinations and Educational Training

To improve the situation where outstanding students gravitate to certain majors and occupations law, medicine, etc. - and to normalize the crippled

operation of college education caused by state examination preparations, the current state examination system needs to be radically reformed. All qualifying and screening examinations for recruiting high-quality manpower should be renovated in content and method, thus strengthening links with school education. Regulations on and systems of screening technicians demand improvement, and qualifications for human resources should be continuously readjusted by occupation.

Expansion and Improvement of Infrastructure in Distribution and Management of Human Resources

To facilitate rational distribution of produced human resources in appropriate positions, an information distribution system should be established covering the acquisition and utilization of human resources. This is needed to strengthen the analysis and estimation of supply & demand and human resources trends by professional organizations, and to actively support and promote the activities of information analysis/evaluation regarding human resources in the private sector.

The mediating function of education and labor market needs revitalization. High-quality employment services require support by strengthening job guidance in vocational high schools and colleges, expanding job security center functions, and developing/operating numerous job guidance and support programs for job hunters.

Utilization and Preservation of Human Resources

Consideration of Plans for Making Full Use of Limited High-grade Human Resources

Innovative research and development in efforts for enhancing the productivity of high-grade manpower is often key in determining national competitiveness. Such manpower inundates universities, and is also distributed throughout the industrial

world and research institutions. Therefore, industry-university-government cooperation needs strengthening to foster the utilization of high-grade manpower in universities with increased support for research activities.

Provision of Opportunities for Reeducation and Lifelong Education for Workers

For continual man-power worker development, expansion of adult education programs at each level of school is required to allow educational leave in public institutions and to enlarge tax benefits of company in-house training.

Solving Wage Differential and Discrimination Issues in Personnel Management by Academic Background

In principle, wage scales should be arranged by ability and performance, not by academic background. In personnel management like recruiting and promotion, a rational human resource utilization system cannot be established without rooting out bad practices where academic background and clique are regarded as important.

Human Resource Development Systems

Meeting for Human Resource Development and Securing the Effectiveness of the Deputy Prime Minister for Education

The Kim Dae-jung Government is organizing a Meeting on Human Resource Development, consisting of relevant cabinet members, to comprehensively coordinate the functions of human resource development which has heretofore been performed separately by several ministries. The Deputy Prime Minister for Education and the Ministry of Education and Human Resources Development shall take overall responsibility (Ministry of Education, 2000c). To secure effectiveness in this structure, enactment of a special law should follow any action so the Deputy

Prime Minister for Education and Meeting on Human Resource Development may exercise practical coordination rights. In other words, major policies regarding HRD must be deliberated at a Meeting on Human Resource Development before introduction to the National Assembly. The meeting should examine the promotion of major relevant projects, make necessary corrections, and prioritize resource distribution.

Formation of Regional Comprehensive Coordinating Systems for the Development and Management of Human Resources

Formerly, the central government took charge of nearly every detailed policy-making resolution and financial support for human resource development. Henceforth, the role and function of local governments must be strengthened. Just as a comprehensive coordinating system was set up in the central government to develop and manage human resources, an organization and council should be established and operate in cities and provinces centering on Offices of Education to comprehensively coordinate administrative functions involving the training and distribution of technical manpower of high school graduates.

Facilitation of Private Investment in HRD-related Industries

In the United States it is mandatory for companies to invest 5% of sales on in-house educational training. Likewise, in Korea efforts are required for motivating and deregulating measures in the taxation system and for the facilitation of human resource development in the private sector. This includes not just in-house educational training, but also the encouragement of a company - or a private industry - specializing in the development and management of human resources. Furthermore, organizational measures should be taken to expand the role and investment in the private sector for the international development and utilization of

manpower.

Total Management of Financial Resources and Strengthening of Performance Evaluation in Human Resource Development

To maximize the efficiency of HRD management on a national level, the total management of financial resources involving human resources is required. Together with this, an avoidance of duplicate investment and distribution of public resources according to a rational priority order in every field of government is also needed. For example, budgets for educational training and for supporting research and development are included in each ministry's budget. Function should be adjusted by the Meeting on Human Resource Development under the supervision of the Deputy Prime Minister for Education, and practical affairs should be directed by the Ministry of Education and Human Resources Development.

A comprehensive evaluation should be made annually on results and the efficient utilization of policies and projects in which financial resources for human resource development are invested. It is also very important to develop a vital index system (Tai-gi Kim et al., 2000).

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