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Book Review: Human Resource Development in a Knowledge-Based Economy

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The Emirates Center for Strategic Studies and Research (ECSSR) (2003). *Human Resource Development in a Knowledge Based Economy*. Abu Dhabi: ECSSR. Pp. xiv + 392 (PB).

The book begins with a short foreword from Dr. Jamal S. Al-Suwaidi, the Director-General of the Center. It contains a number of papers plus a keynote address by Hamid Kurzai, the president of Afghanistan, presented at the Seventh Annual Conference of ECSSR held in Dubai on February 9–11, 2003. The authors of the papers are mostly well-known scholars or specialists working in the area, as the note on the contributors reveals (pp. 331–341). The get-up, paper, and printing of the publication are excellent.

The contributions are interesting and generally focused. They cover a wide and varied range of topics on human resource development in a knowledge-based economy. Their editorial grouping under four heads – ‘Perspectives and Prospects’, ‘Governments and National Strategy’, ‘Development of Human Resources’, and ‘Paradigms for Organizational Success’ – provides linkages between the parts and their contents. Not all the papers are provided with an abstract, so the arguments of most of the papers are discovered only by reading right through them.

Jamal S. Suwaidi’s crisp introduction to the book (pp. 3–15) imparts a measure of continuity to its material. He provides in the process a thumbnail sketch of the authors and their contributions. Jamal neatly sums up the contents of the book when he says: “*Human resources and human resource development can no longer be considered as peripheral to a company’s or a nation’s wealth. In a knowledge-based economy, human capital is the key to economic progress and wealth creation*” (p. 14).

The Section on Perspectives and Prospects has two papers: ‘*Building the Knowledge-based Economy: Challenges and Opportunities*’ by Stan Davis (pp. 33–60) and ‘*Information Systems as a Conduit for the Transfer of Knowledge*’ by Laurence Prusak and Salvatore Parise (61–84). Davis covers a wide range of issues including the importance of knowledge development for individual

businesses and economies, strategies for the purpose over time and space, and need for their updating. Finally, he explains how innovations in human capital investment can harmonize nicely with *Shari'ah* law and help the Arab region build its most important resource – its people.

Prusak and Parise discuss '*Information Systems as a Conduit for the Transfer of Knowledge*'. They argue that knowledge can be a source of wealth even greater than its traditional forms – land, labour, and capital. Organizations, he argues, still need to move ahead for optimizing the knowledge they have or plan to acquire the knowledge they will need in future.

The second section dealing with governments and national strategy consists of three papers. In '*Education and Human Resource Development in the Knowledge-Based Economy*' (pp. 85–116) Yousef H. Al-Ebraheem answers the familiar question: what is the knowledge-based economy and its main characteristics? Elaborating on the theme, he enumerates the challenges confronting education in and for knowledge-based economy. Also, he spells out some reforms that he thinks are needed in the educational system. These reforms, he believes, can be more effectively put in place through public action. He summarizes the argument of the paper in a section on conclusion and recommendations.

Thomas A. Kochan discusses '*Government Policies for a Knowledge-Based Economy*' (pp. 117–146) wherein he lists the building blocks of government policy, emphasizes labour relations and regulation of employment standards. He recommends building strong tripartite partnerships involving labour, management, and the government. Such partnerships indeed operate in a number of countries. In the last paper of the Section – '*Workforce Planning in the Knowledge-Based Economy*' (pp. 147–178) – Richard W. Judy provides a historical perspective on the subject, recalls the failings of Soviet manpower planning, evaluates the place of knowledge in the traditional macro level policies, and makes suggestions for improving workforce quality using Singapore as an illustrative case.

In the section on Development and Human Resources, the paper by Leif Edvinson – '*Investing in Intellectual Capital: Potential Costs and Benefits*' (pp. 181–200) – is a bit patchy and unfocused. It opens with a definition of intellectual capital and discusses topics like

softening economics, a bubble economy, the components of intellectual capital, the Skandia story, organizational IC multiplier, and future challenges. The discussion is oriented to history, the past, and so could not pay sufficient attention to current position and problems.

Robert E. Quim's '*Leading Change: The Path from Slow Death to Effective Organization*' (pp. 201-224) raises the problem of making crucial decisions under conditions that are not ideal, the response having three options: task pursuit, narrowing down, and denial. He discusses slow death option at some length, emphasizes the need for visionary and transformational leadership. He closes his argument with an explanation of the role of virtues like integrity and engagement, hope and reason, humility and confidence, selflessness and assertiveness as leadership qualities. His account at times converges with Islamic norms of behaviour.

Peter Cappelli discusses '*Training and Skill Improvement for Organizational Improvement*' (pp. 225 - 62) in the longest paper in the book. He argues that old models about training and development were based on assumptions that no longer seem to hold well. He spells out new arrangements that to him are more in tune with the changed set of business and economic realities. These arrangements he lauds because they seek to work with open markets and provide more freedom and opportunity to individual workers, albeit they too increase employees' risk as they now have to manage their own careers themselves.

In the last section of the work – Paradigms for Organizational Success – Jeffrey Pfeffer presents '*Organizational Structure [designed for success] in the Knowledge-Economy*' (pp. 265-91). Two fundamental points that emerge from his discussion are that: (1) design decisions are interrelated, and (2) there is a fundamental trade-off between design principles that maximize short-run efficiency and control and those that facilitate learning, albeit the dichotomy looks like a trade-off in time horizons.

Thomas A. Stewart talks of '*The Human Capitalist in the Knowledge-Economy*' (pp. 293 -301) and examines the role of ownership structure, professionalism, and training modes for improving efficiency. Robert Sutton in his '*Bridging the Knowledge-Doing Gap in Competitive Organizations*' (pp. 303-29) warns

companies that knowing what to do is not enough for efficiency improvement, to put this knowledge into action, *with gaps if any filled*, is no less vital.

In general the book provides instructive and interesting insight into the subject. Academics, business executives, public policy makers, and libraries will certainly not regret paying the cover price.

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