

Human Capital and Talent Mobilization for Economic Growth –Challenges for Higher Education Providers

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Abstract

Globalization has opened a new horizon of economic opportunities and also created complexities at the same time. As a result the human resource issues talent mobilization and higher education has captured the centre of attention of policy makers throughout the world. Concept of personnel management is replaced by human resource management. Previous marketing concept of product marketing is no more applicable. The basic idea behind production concept was that the firms will produce what they can produce efficiently and this will ensure enough supply of the products at low-cost and demand will be created by itself behind development of this concept was at that time the products were the basic necessities and a huge unfulfilled demand for them.

Bangladesh is achieving sustained economic growth of 6% to 7%. Previously most of the economists emphasized the need for material resource allocation exploration as well as resource creation. The main focus of this study is to identify the need for human talent mobilization in our country and main challenges for higher education providers is to develop and design need based academic activities that contribute in economic and social development of the country. The higher education providers need to keep in mind that they are human capital development mobilization unit rather certificate selling centers in higher education sector.

It is obvious that appropriate and timely policy design and implementation will turn our huge stock of human resource into human capital and lead the country towards greater economic growth.

Key Terms: Human resource, talent mobilization, economic growth

Introduction

Just a few decades back the concept of human capital was absent. Human being was only counted for producing goods and services. Economic and business scenario is changing very fast. Initiated by rapid development in transport and communication system, countries and communities have come closer and expansion of markets throughout the world has created new

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challenges. Just before 17th century the Continent of America and Australia was unknown to the rest of the world. But now-a-days people can see what is happening in the remotest part of the world through the use of satellite technology and talk to anybody living around the world instantly using mobile phone. Eventually the rapid integration process of world has developed the concept of globalization. Now people especially the business firms think globally, try to produce goods and services which are suitable to satisfy the needs and wants of the customers living around the globe.

The policy makers of today are more focused on human resource development than any other aspects of development. Human resource is considered as most valuable resource for countries throughout the world. The idea of limited natural resource appears as an obstacle for economic is faded away. Often in our country we used to say that due to resource constraints we are poor country. But there are number of countries in Asian, African and South American continent enriched with huge mineral and other natural resources but still ranked top in the list of poor countries. On the other hand some countries don't have any mineral or natural resources but achieved tremendous economic development even compared to European nations. One example is Singapore; the country does not have any natural or mineral resource but their per capita income is more than UK and USA. The secret behind the success is using their human capital effectively. Singapore's success is great example that how to utilize human talent and its power to change a countries economic status.

Bangladesh has got a huge stock of manpower. Most of this stock is unskilled labor force. Almost ten million workers of the country working around the world and sending remittance to the country is the main source of foreign exchange. But the scope of earning is far greater if we can export skilled and educated workers especially the Engineers, Architects Accountants, Physicians and professionals of such category.

Mainly skill development is directly related to higher education providers. In Bangladesh higher education is being provided by public and private universities and also by some university colleges. In addition to that some specialized institutions are there under public universities like Institute of Business Administration (IBA) and also some professional institutes like ICMA, CA, ICSMB, Bangladesh Institute of Bank Management. The study is focused on challenges of higher education providers for successful human talent mobilization process and though the process how to achieve faster and sustained economic growth.

Literature Review

Large number of study papers are there based on different aspects of human talent mobility and their impact on different socio-economic issues.

Few such studies based on human talent mobility and economic growth of different countries help us to assess the issues applicable to our economy.

African Higher Education: Opportunities for Transformative Change for Sustainable Development (USAID, 2014):

This publication was produced for review by the United States Agency for International Development. It was prepared by the association for public and land-grant universities, knowledge center on higher education for African development. This work is based upon the premise that African higher education institutions are critical to sustainable human development on the continent, evidenced by numerous studies measuring higher education's contribution to economic growth and long-term benefits to society. This report deals with the full spectrum of African institutions of higher education, including public and private colleges, universities and polytechnics, which serve undergraduate and/or graduate students and have the authority to award certificates, diplomas and/or degrees”.

A Policy Agenda for Improving Access to Higher Education in the EU Author (Veugelers, 2011):

If forces are to be mobilized in Europe to successfully exit the crisis and create a smart, sustainable and inclusive growth path towards a knowledge-based society by 2020, European Higher Education has to play a more central role. As Europe approaches the world technology possibility frontier and leaves the era of catching up behind, innovation and highly-educated people have become crucial drivers of its growth potential. With competition from fast emerging countries, the EU needs to develop sustainable strongholds in high-skill intensive activities”.

Talent Mobility Good Practices Collaboration at the Core of Driving Economic Growth Prepared in Collaboration with Mercer (World Economic Forum, 2012):

Talent Mobility Good Practices– Collaboration at the Core of Driving Economic Growth, prepared in collaboration with Mercer, is based on 55 case studies from around the world. It shows concrete actions that organizations– including companies, governments, academic institutions, and non-profit entities– have implemented to address talent challenges.

Stimulating Economies through Fostering Talent Mobility in Collaboration with the Boston Consulting Group (World Economic Forum, 2010):

Countries need to prepare to face the challenges of demographic shifts and a fast-changing labor market environment by defining adequate education and migration policies. First, they have to invest in their own supply of highly skilled workers.

Research Method

The study is based on secondary information. The study used data from different publications and study reports and derived necessary information used for the study. Side by side the study tried to assess the overall human resource mobilization process of the country at present and tried to come to a conclusion about the future course of the human resource mobilization process and its implications on the economic growth of the country. The study attempts to analyze and suggest the expected role of higher education providers of Bangladesh, especially, the private universities. In this regard the study analyzed four important study papers based on Asia, Africa, USA and Europe for better understanding the issue.

Study Rationale

Economic growth is directly related to human development or converting the human resource into human capital. The main drivers of this field are higher education providers especially the universities. But these vital issue is either ignored or in most cases not being addressed properly. So, the core objective and rationale of this research is to identify the loopholes and also identify the need to face the challenges by higher education providers. If we fail to take steps in right time, then, we are supposed to pay the price by restricting our potential economic growth and development. This study will allow us to rethink about this vital issue.

Findings

Contribution to Economic Growth

Previously policy makers' main focus was on extracting natural and other resources and human resource issue was neglected. It was thought that human resource has less impact on economic growth than other resources. As the global economic scenario is taking a new shape the world is turning into a global village and realizing the fact that human resource is vital for economic growth. But policy makers of Bangladesh are perhaps less concerned to this fact, at least, their actions are inadequate for meeting the challenge. Appropriate actions in converting the human resources into human capital will lead the country towards better economic growth.

Current and Future Skills Shortages

As the countries move from one sector to another sector i.e. from primary to secondary and secondary to tertiary the need for skilled manpower also changes. Previously economy of Bangladesh was agriculture dependant. But, now a day, a great deal of contribution from manufacturing sector is also visible in the economy. On the other hand huge opportunity of skilled manpower remained untapped throughout the world. Though at present main source of foreign exchange earning of Bangladesh is remittance but still a huge prospect for skilled manpower export is lying unattended due

to not developing the workforce according to the world requirements. So, the country's human resource planning is not accurately focused on current and future skills shortages. In future, there will be demand supply gap of skilled manpower category.

Need for Tax Incentives for Private Universities

Public universities are running on financial support of government. But the private universities instead of getting any support paying taxes to the government. Government's view towards these universities as business concerns and earning money; but government does not realize that at the same time universities are contributing in nation building through developing human capital. Previously, a large number of students needed to get admission in foreign universities resulting huge outflow of domestic currency.

Need for Promoting Student Mobility

Effective steps are not visible in promoting student mobility. If student exchange as well as faculty exchange program take place, it will definitely enable the concerned segments to develop their quality. Even initiatives are needed to establish exchange programs with foreign universities but no initiative is visible in this regard.

Lack of Loan Facilities and Grants

Where developed countries spend significant amount of fund for higher studies and side by side for Research and Development but, unfortunately, Bangladesh is lagging behind in the area. The private universities are facing greater problem because they need to depend totally on collection of students' fees and other charges. Students do not get any support like loan facilities or grants or even scholarships from government.

Land for Campus and Other Facilities

Most of the private universities are facing acute shortage of land and other logistic support which are considered vital for quality training and education. But most of the private universities are operating in rented house, especially, private universities located in Dhaka are facing greater problem than universities located out the major city areas in this regard. On the other hand, public universities get government support and land area free of cost even some public universities possess land area more than thousand acres whereas private universities on an average has two to three acres of land in their possession. But according the statistics, 50% of graduates are from private universities. That has posed the biggest challenge for private universities of Bangladesh.

Less Focused about Future Need and Changing Global Market

Study found that the main challenge for higher education providers is to focus on developing human capital that meet the future requirements

taking into consideration of local as well as global scenario. Though a large number of graduates coming out from public and private institutions, in most cases, they are less competent to meet the global requirements. Private universities are offering courses of a limited number of areas like BBA, MBA, Computer Science and Engineering but lot more areas are there where great demand for graduates will be created. But private universities have no other choice but to increase the number of intakes for their survival. This process is creating a wider scope of demand supply gap.

Conclusions and Recommendations

No doubt that higher education providers especially the private universities contributing directly or indirectly in economic growth of the country. Bangladesh has already achieved significant development in health and agriculture sector. Bangladesh government, as a policy matter, is more focused on primary education. No doubt primary education is the foundation of all other development process but, at the same time, greater demand for skilled educated professionals, is quite visible. On the other hand, for greater and faster economic growth we have to think globally. As more and more new economic powers are emerging in different parts of the world, new opportunities are also created. It is essential to design our human resource development process based on current as well as future need of the country and globally as a whole. In USA, public university graduates normally absorbed in government jobs, on the other hand, private university graduates are absorbed by corporate bodies because they train the graduates to cope with particular organizations and academic activities are designed accordingly. But Bangladeshi higher education providers are still unable to develop anything like that. Normally they emphasize on theoretical knowledge only. So, to keep the pace of economic growth unchallenged higher education providers need to redesign their policies and activities taking a holistic approach. Government of Bangladesh should acknowledge that major stakeholder of this program needs government support like public institutions instead of treating them like mere business concerns. For sustained and faster economic growth, there is no option but to convert our human resources into human capital. For achieving the goal of maintaining the pace of future economic growth, government as well as private higher education providers needs to redesign their policies accordingly.

Recommendations

1. More focused future need based human resource development policy of Bangladesh
2. Enhanced cooperation, collaboration, and coordination between private universities to develop student quality and facilities like student and teacher exchange program.

3. Carry out research to assess the future need of higher studies and design the curriculum and activities accordingly
4. A joint platform for research activities by private universities to facilitate students and faculty to develop their skill and knowledge
5. Identify the potential growth areas where skilled human resource is expected

Implications

Now it is a proven fact that economic growth is dependent on human resource development. But so far the of human development of Bangladesh is not adequately guided to meet the future needs. Policy makers need to focus on this area to keep sustainable economic growth. In case of human development, we need to design policies and activities considering two aspects; one is future domestic requirements and other is global requirements. Need for monitoring global requirements is important because economic growth of Bangladesh is dependent on foreign remittance. A large number of migrant workers are working outside the country but there is a scope for greater demand for skilled workers and it is known that skilled earning is more than four to five times than unskilled workers.

US IT market is dominated by Indian Software Engineers and professionals. India has successfully established some world renowned Institution like IIT (Indian Institute of Technology) from where a large number of IT graduates enter and dominate the international professional market. Bangladesh has got similar scope but failed to achieve anything like that because of lack of our policy designs towards higher education. This is an example of only one sector where lot more areas remain uncared having unlimited scope and opportunities. So, public and private higher education providers should rethink the issue which is proved to be vital for future economic growth.

Another very important issue is research. Universities are also research centers. Throughout the world, universities carry out research activities and outcome of those activities are properly utilized in economic and social development of the country. It is considered as the main activity and responsibility of higher education providers to explore new avenues of knowledge. But in Bangladesh, due to different obstacles like the fund crisis research, activities are at very low level. A large number of private universities fighting for their survival on the other hand public universities research activities are also considered inadequate and inconsistent compared to what is happening around the world.

Bangladesh is considered as a land of unlimited opportunities. In some areas like primary health care education, poverty alleviation, Bangladesh has achieved remarkable success but the country has failed to

pay due attention in human capital development. As the economy is moving faster, the need for skilled professional will be felt in a greater extent. Higher education providers of Bangladesh are capable of facing all the challenges; but a farsighted vision as well as government support and active cooperation in this regard will assure sustained economic growth of the country.

Limitations

Time is an obstacle for developing this type of research paper. Performance analysis and their long time impact needs more time to assess. Overall, an average position has been taken into consideration but some of the higher education provider's contribution is significant.

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