

Putting the all important values back into human capital

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LIKE "globalization" and "knowledge-society", "human capital" is now the "in" phrase. For many, the term is related to "labour".

This is because human capital has been largely regarded as an economic concept.

More specifically, it relates to the development of skills and abilities in response to the job market.

Based on this narrow interpretation, it is not surprising that there is a tendency to focus on skills and abilities that are mechanistic and technical in nature.

A student as a compliant employee trained in some of these skills and knowledge is now regarded as the market norm. Never mind if they are not schooled in values as long as they are "marketable".

Interestingly enough, according to *The Concise Encyclopedia of Economics*, human capital is not limited to just knowledge and skills but also includes health and values (www.econlib.org/library/Enc/HumanCapital.html).

That "values" are deemed to be an inseparable part of human capital opens up an interesting discussion away from what is merely tangible and mechanical.

It reasserts the importance of nurturing values as ethical standards and norms in the development of human capital. At the same time, it creates an invaluable opportunity to restructure the narrow understanding of human capital based on market interest (read: profitability).

Put another way, human capital development has thus far been constrained by job-focused and industry-aligned considerations.

Increasingly, the values of education are gradually being transformed by the dictates of the marketplace where profitability as the bottom line seems to take precedence.

As a consequence, it threatens to erode and to devalue education even further as it becomes increasingly difficult to rise above the narrowness of the self-interest of the market at the expense of public good.

One would have thought that in a knowledge society, the rigours of thought and intellect (intellectual capital) would command a higher premium since job acquisition is among the last in the chain of intellectual activities.

The development of intellectual capital must precede that of job placement. After all, it is through a more disciplined habit of intellect and thought that innovation and creativity show up.

In contrast to formal knowledge and skills training, there has been insufficient attention given to nurture them.

The idea of a university as a self-motivated community of disinterested scholars engaged in innovative thinking to push the frontiers of knowledge without fear or favour is somehow ignored, if not lost.

Fortunately, with the announcement of the Ninth Malaysia Plan two weeks ago there may still be hope to reverse the situation.

For starters, one of the five key thrusts, namely raising the country's capacity for knowledge and innovation, and nurturing a "first class mentality" give a better perspective to what is meant by the term "human capital".

For example, one of the main points was on "holistic human capital development, encompassing knowledge, skills, progressive attitudes and thinking, strong moral and ethical values".

"Nurturing top-quality R&D, science and innovation" and "fostering a society with strong values" are also emphasized.

Focus on culture, arts and heritage in moulding Malaysia into a civil society has also been articulated in the Plan.

It emphasises the development of positive cultural values leading to a united and harmonious Malaysia, with a shared and common destiny.

After all, one the goals of Vision 2020, states: "This must be a nation at peace with itself, territorially and

ethically integrated , living in harmony and full and fair partnership, made up of one *Bangsa Malaysia* with loyalty and dedication to the nation."

It is obvious that without comprehensive set of socio-cultural values imbued into the education system, no amount of human capital based on science and technocracy, no matter how sophisticated, can bring about these goals.

The Prime Minister enumerated the three-step process in developing human capital: First by increasing the capacity and mastery of knowledge; next, strengthening capacities in science, research, development and innovation; and, finally, nurturing a cultured society that possesses strong moral values.

He was spot on when he said that direct participation in culture, arts and heritage activities would contribute to a holistic development of human capital while strengthening national unity.

Perhaps in the attempt to "makeover" the understanding of human capital as stipulated under the Plan, the true meaning of education could be brought back. That is, cultivating the mind, values, character and judgment—not just skills for employment.

- This subject was covered by the writer in his acceptance speech last week at University of Portsmouth in Britain where he was conferred an Honorary Doctorate of Science.

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