

The Knowledge Economy: Education and Human Resource Development

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This paper discusses the future of education and human resource development (HRD), focussing on the evolution of business in the knowledge economy (k-economy).

Demands of the Knowledge Economy

One of the most significant forces driving changes in education and HRD is the charge of nations towards k-economy status. Developed nations are moving rapidly into this economic phase, and through technology, opportunities exist for developing nations to leapfrog into developed k-economy status. All this intensifies the global change process. Globalisation itself is just one aspect of change, but there are others which impact more directly the domestic economy, businesses and work generally. The way work is done and businesses operate in a k-economy area all impacted by, for example: the pace and scope of change; the widespread dispersion of information and communication technologies; changing jobs and career paths; more flexible working environments; changes to the social and economic policy landscape; continuous learning demands; and the changing role of government within education systems. This paper discusses some of these impacts.

The Impact of the K-Economy on HR, HRM and HRD

The k-economy led acceleration of workplace change puts different demands on the human resource(HR) function, and HRD than previously required. Some of these are indicated in Figure 1, which suggests that workplace change is impacting at least five key areas:

1. work and working life (travel, longer working hours, etc);
2. structure of jobs (continually changing work demands, less prescriptive jobs, projects, etc);
3. communication and information demands;
4. work life balance issues; and
5. education requirements.

The demands of the k-economy impact the HR role and change the priorities of HRD. The knowledge workplace requires so called knowledge workers, those who are flexible, who embrace and encourage change, and who are able to navigate information effectively and efficiently (memory is no longer important). Knowledge workers needs to be more mobile both within organisations (as jobs change), but also intra-industry, between industries, and globally. Staff turnover in k-economies tends to be far higher as a result.

K-managers need to be team players, and be adept at project work – as this is the way most work will be done – and teams may be formally organised, or could be self forming, and changing continually. Hence the ability to work in different teams, with different mixes of capabilities will be a requirement for employment success.

Managers will also need to be creative problem solvers as they will need to develop new ways to solve old problems (as old ways won't work any more), and develop creative solutions to new problems. As such, there will be a need to develop both left and right brain functions and capabilities – as technical ability will need to be complemented by creativity and innovation; and more generalist staff will need to develop greater analytical capability.

Figure 1: The Changing face of Work, Life and Education



There are at least four key issues arising from the k-economy which require enhanced HR attention: succession planning, training and development, building and maintaining management capabilities and knowledge management.

First, in the new economy, talent management and development are both critical and challenging – more so than previously as job turnover increases. Hence retention strategies are a key to success and can provide a competitive advantage. Identification of multiple replacement strategies, and the building of longer term sustainable succession is a necessity for survival.

Second, rapidly changing workplace demands increases the complexity of training and development planning and implementation. With this are the ever changing educational and knowledge requirements of the business and the individual employees. However, work pressures create time starved employees, and this combined with the need to find some work-life balance, makes both finding and attending appropriate education highly challenging.

While the development of staff is a necessary condition for business success, the building and maintenance of enhanced managerial acumen is critical – the third issue. The k-economy requires a new breed of management with a broad set of capabilities. The changed workplace demands greater behavioural capabilities (such as adaptability and flexibility, ability to embrace and manage change, management of creative employees, team management), however, analytical capabilities will also be essential with an emphasis on risk analysis and management. Management which can build operations which have inherent flexibility and adaptability will be highly sought after. Time in the job will no longer be relevant, and memory will be valued far less than the ability to access, identify, synthesise and analyse relevant and updated

information, necessary to manage complex ever changing business operations and environments.

The fourth key issue for HRM will be knowledge management itself. In the k-economy, staff turnover is much higher, the memory of long standing employees is less relevant to business success, and these combined with the rapid pace of change require a far more systematic approach to the storage and access to corporate knowledge than that required in a production style economy. Hence, the development of systems to distribute both good and bad stories and the systematic storage of knowledge critical to business strategy and operations will become a competitive differentiator.

The Employee and Student of the future – the Y Generation

There are marked differences between the aspirations of the Y generation¹ and those of the X and Baby-boomer generations. The Y generation is technologically literate, and usually globally connected through internet chats and virtual team games. Email for this generation is passé. Their work aspirations are different – they don't want jobs for life, but want jobs and education which are flexible, just in time as they require it, for "them" and convenient. Studies indicate that this generation will change careers (not jobs) at least four times in their working lives. And there is global homogeneity – this generation is similar all around the world. The Y generation brings different demands on the workplace and to HR professionals developing strategies for long term development and retention of talented employees.

Education and HRD for the Future:

The discussion so far highlights the competencies required of knowledge and managers, including flexibility and adaptability; embracing, encouragement for and management of change; problem solving skills; analytical skills; high level information navigation skills; global sensitivities and knowledge; high level communication skills; high level – or 4th generation e-competencies; strategic thinking; creativity; and project and team building skills. All this leads one to ask how one achieves these competencies. Does traditional education and training achieve them? Can e-learning achieve them?

Education plays an enhanced role in k-economies as it provides for professional, occupational as well as public and social needs. Education is required to develop those actively engaged in the workforce; to be sufficient to ensure that the populace achieves active full and rewarding life styles; and to enable the populace to actively and confidently engage in an ever complex community and community affairs. Further, the k-economy educational system needs to cater for diverse range of learning styles and should satisfy the needs of all active citizens: professionals, managers, tradesmen and unskilled workers.

Whether e-learning can achieve the competencies required any better than traditional education is really a moot point. The real question is how they need to be organised to ensure that they do deliver these competencies. However, e-learning does have some

¹ Aged from about 10 to 27 years of age.

advantages over traditional education for the time-starved world of management education.

Research shows that there are many benefits of e-learning. For example, Kassop (2003)² identifies 10 key benefits: student-centred learning; writing skill development; highly interactive discussions; equity in the classroom; geared to lifelong learning; enriched course materials; on-demand interaction and support services; immediate feedback; flexibility; and an intimate community of learners.

U21Global's³ online programs are designed specifically to develop the type of competencies required of k-economies while providing a quality higher educational experience. Its programs are student centred, but faculty facilitated, and use interactive and engaging online course material, enhanced by many business cases⁴ and leading articles. Discussion boards play a key role in the virtual classes and support the problem based learning style. Assessments are relevant and authentic and are designed to replicate work situations in contrast to traditional university assignments and examinations. The program in combination with a strong and effective student support structure, provides a highly successful program, providing for the needs of the knowledge worker and manager.

Concluding Remarks

The knowledge economy has necessitated change in work, jobs, education and life in general. New life skills are required. The consequential impact on HRM and HRD is huge. In addition, there is a new employee, the Y-generation, with very different aspirations and motivations than employees of previous generations. To cater for these changing economic needs, higher education must become more market oriented and ensure that it demonstrates flexibility, equity of access, high quality and highly adaptive but must also deliver the competencies required of the k-economy. E-learning is one response to this challenge, and if well designed and constructed can provide superior educational outcomes.

² Kassop, M. (2003). Ten ways online education matches, or surpasses, face-to-face learning. The Technology Source. Retrieved February 1, 2005, from <http://ts.mivu.org/default.asp?show=article&id=1059>

³ A global graduate business school owned by 19 renowned global universities plus Thomson Corporation. Universities which own U21Global are Universities of Birmingham, Nottingham, Edinburgh, Glasgow, Melbourne, New South Wales, Queensland, Virginia, British Columbia, McGill, Auckland, Hong Kong, Korea, Lund, National University of Singapore, Fudan University, Shanghai Jiao Tong, University College Dublin; Tech de Monterey

⁴ Case studies are principally drawn from Harvard Business School, Hong Kong University, Darden School of Business at University of Virginia, and European Case Clearing House.