

# **Integrated Human Capital As A Core For A Society of Distinction**

**Mohamed Ghouse Nasuruddin**

*School of Arts*

*University Science Malaysia*

Human capital, which refers to the whole gamut of human work force that serves society, is another term for human resources, but the word *Capital* connotes some sort of investment in the human resources. It has a more active connotation than just *resources* that could be left idle. *Integrated* refers to the integration of this human capital in various forms of psychological social, economic and cultural order to enable it to function optimally.

Integration here could be discerned at various levels. On the first level is the individual itself, the integration of the self; how the person integrates the various variables such as norms, values, attitudes, skills, ethics and morals into a unified whole to enable him or her to perform the required task efficiently. Second is the integration of the individual into a system such as a group of workers, a company or a corporation to achieve the system's vision. He should be able to make significant contribution within his own sphere of operation to the overall productivity of the system. Thirdly, there is the integration of these systems of various sizes into a national grid to achieve the national objectives. These three levels of integrative activity must work synergistically to serve the national agenda to provide a peaceful, comfortable and meaningful life.

The quality of the human capital, which determines the standard of living of a society, is usually dependent on the level of knowledge and technology of a society whose progress and development is influenced by the generation of knowledge and or the reinvention of the old. Thus a knowledge and skill based society would augur well for the development of quality integrated human capital and the advancement of knowledge would positively affect the human capital to reinvent itself to face new challenges, to develop new skills to enhance the mode of living.

Human capital is a renewable resource and should be renewed at a higher level of competency. In short it should evolve to meet the challenges posed by new knowledge that provokes new perspective of perception of human existence. Indeed the quality of human capital should be constantly upgraded with the availability of new technology.

There are several factors that affect the quality of the human capital.

### 1. The Cultural Tradition

The cultural tradition of a society nurtures the nature of its human capital. Tradition is the unwritten code of the process of life of a community; it is replete with mores, lore and legends that promote norms and values that are consonant with the belief, psychic and ethos of a society. These lore and legends, such as parables, and anecdotes explain natural phenomena and human history according to the level of comprehension of specific time. They record the achievements of the community serve as inspiration to its members to improve themselves and inculcate values such as perseverance, dedication, discipline, ingenuity, strength and courage through the telling and performance of these lore and legends. Thus such a tradition could influence the development of quality of human capital.

There is also the negative side of tradition like laziness, lack of perseverance and initiative to better oneself, procrastination, and parasitic inclination that would adversely affect the quality of the work force. As such, there is a need to emphasise the positive and minimise the negative cultural traits.

Thus tradition is a factor that affects the quality of the integrated human capital.

### 2. Work culture environment.

Tradition helps mould the work culture environment which includes inducing proper working attitudes and work ethics. It constantly evolves in tune with changing times addressing the traditional quotations to different sets of technological environment. What are the ingredients of such an environment? Firstly, the authorities who are responsible for the governance of the society must lead by examples. They must show the correct work ethics for others to follow and at the same time guide the workers towards the national objectives. They must create a conducive environment to motivate the workers to achieve these objectives. But if the authorities are corrupt and pit self interest above national interest, the human capital will likewise emulate their elders.

### 3. Education.

Education is the critical ingredient in developing human capital. In the old days apprenticeship and informal types of education

were the norm. People learn by observing and learning on the job. The son of the padi farmer learns from his father on how to cultivate rice from the nursery of seedlings to harvestings, as well as the nuances and the vagaries of the weather that affected the crop. For good measure superstitions were thrown in to explain certain phenomena of cultivation. For example, there was the need to placate the spirits to send rain to ensure a bountiful harvest. After which offerings were made to thank the spirits for blessing them with such a harvest. The spirit world was linked to padi planting to ensure the proper process of nursery, transplanting, irrigation and so on would be adhered to. And it was believed that to deviate from this norm would adversely affect the harvest. Likewise, in clearing the land for cultivation, certain procedure of felling trees and leaving the big old ones in tact must be observed to avoid incurring the wrath of the spirits. In actual fact the practice is not to waste the trees and not to clear up unnecessary acreage. These superstitions are built in as part of the educative process to motivate the apprentices to follow the correct procedure in planting, clearing of land and fishing. In this way the human capital could be properly trained to undertake such agricultural activities.

This method of apprenticeship is still practiced in the agricultural sector, especially farming, but minus the superstitious elements because the natural phenomena affecting farming can now be scientifically explained.

But in the present day world, the human capital undergoes three tiers of educational training. One is the formal education from primary to tertiary level; second is the informal education during the formative years such as the involvement in extra-curricular activities, community projects and hobbies; third is the on the job training.

We must appreciate that the primary and secondary schooling in no way gear its curriculum to target specific occupations. The students are given a general education to develop their critical faculties in acquiring knowledge and analyzing their structures and modes and applying them to a variety of situation. Creative and imaginative aspects are implicit in the arts and music subjects, while sports provide the venue for building team spirits and a healthy body. The sciences explain natural phenomena based on provable factual information. These are the ideals of the basic education but they seldom achieve their full potential, thus adversely affects the quality of human capital.

In the secondary schools, the students are streamlined into the arts and science streams which to a certain extent indicate their future vocation. Those taking science subjects aspire to be medical doctors, engineers, architect and other science based jobs. While those in the arts are prone to become lawyers, teachers, managers, musicians, dancers and actors and etc. However the education curriculum nowadays is not so rigid and compartmentalized as science students could take arts subjects and vice versa. Nonetheless, the system should be more flexible to allow for a mixture of science and arts subjects with definite emphasis in each stream.

Tertiary education, on the other hand, is more focused and trains the students to achieve a specific area of expertise such as medicine, engineering, law, architecture, pharmacy which are designated as professional programmes. But those arts students in the humanities and social sciences are more open and are not trained for a specified area of occupation. Their job focus would depend on their majors, like in management, science politics, visual or performing arts. Those taking history, geography, philosophy, literature may not land a job, except in teaching or join occupation that will train them for specific jobs, like the police, military, and other such employment. These graduates with the non focused courses form the bulk of the unemployment group. Thus the government has to retrain them for a variety of employment.

Some planners are of the opinion that there is a need to package the courses to tailor to certain job requirements. But others would prefer an open type of course programmes to allow the students to explore and create an open and inquisitive mind and later arrive at their choice of employment.

The second tier of education, the informal one, is a life long process. It can be divided into guided and unguided. The guided ones are the school co-curricular activities such as sports, uniform groups, literary and dramatic clubs, and dance and music groups. It also included activities organized by community clubs and government sponsored associations such as those organized by the Ministry of Culture, Arts and Heritage, Ministry Youths and Sports.

These activities compliment the curricular ones as they provide the social context for character development that include leadership training, team work, human interaction and integration. They develop strength of character.

Unguided ones are the peer group activities, which may exert undue influence on the youths. They are both positive and negative, but the negative ones such as gangs, illegal racing, loitering and other anti social activities tend to be more attractive to the youths and they are always in the lime light. Recreational activities like jogging, hiking, camping and games are seldom featured prominently.

Another significant contribution to the negative development of the youths who will eventually form and the human capital are the entertainment outlets such as pubs and karaoke's lounges. They have become venues for alcohol consumption, drugs and sex. One wonders what is the rationale for the authorities to license these establishments when the social costs outweigh the economic ones, not to mention the religious and moral implications of such activities.

In the adult working world, the informal education takes the form of social and recreational clubs for those who can afford them. But the vast majority depends on books, magazines and electronic and print media to supply the component of their informal education. Even in the adult world there are the negative side of informal education through pubs, gambling dens and other social vices that will ultimately affect the quality of human capital.

The third tier of education is on the job training. In almost all cases there is some kind of induction to familiarise the workers with the specifics of the jobs. He learns on the job and will eventually see how his contributions fit into the overall structure. Even those trained professionally will have to undergo this induction process. That's why doctors are required to serve as a houseman for a year before the authorities let them loose on the patients.

Education is, therefore, the key factor in developing an integrated human capital, but a society of distinction would require a mature human capital enriched with experience and constantly evolving into higher levels of efficiency.

Malaysia has all these things going but with differing levels of achievements. To further enhance the quality of the human capital, the workforce must master the English language, simply because the huge corpus of knowledge is available in that language. Without the facility of the language the workers will not be able to access latest development in their fields. And we will be the losers in the international corporate and diplomatic arena and we would be forever confined within our shoreline. It is, therefore, imperative that together with Bahasa Melayu, English

be made the medium of instruction in schools. To this effect, the Government has implemented the use of English in science and mathematics subjects in schools. And in the universities, certain courses are encouraged to be taught in English by lecturers who are proficient and competent in that language. It augurs well that the authorities have recognized the critical importance of the English language but they have to take further steps to ensure that every child, especially those from rural areas, is proficient in the language. We need to regain the proficiency of the language that existed before mid nineteen sixties. This would allow us to develop an integrated human capital that could compete in this globalised economy.

Further, there is anecessity to revamp the educational system to meet the changing times. To this effect The Ministry of Education has developed a National Education Blue print that promises to develop human capital that could think critically and creatively to adapt to an ever changing environment. Such exhortation is familiar as it has become an integral component of any educational strategy. But what makes the difference is the execution of the philosophy, which is the delivery and crystallization of the blue print into affirmative actions. Such a delivery system must incorporate quality and dedicated teaching and proper and adequate infrastructure. If this educational blue print can be implemented in the spirit of its embodiment, Malaysia will no doubt have quality world class human capital.

#### 4. Remuneration System.

The reward system must be commensurate with the worth and productivity of the human capital. By recognizing their contribution and paid accordingly, the workers would be motivated to perform at their optimum level for they have a vested interest in the well being of the company. Salaries and wages must be commensurate with the nature of work and promotions equated to diligence and performance. Those who work hard should be recognized through salaries increments and promotions while those who are contented with their position be given their normal dues. But those who do not perform according to their contractual agreement or who are detrimental to the company's progress should be terminated. We cannot have dead woods that could adversely affect the productivity and efficiency of the company. .

The reward system should be geared to the cost of living and should be reviewed periodically to adjust to the rising cost of living index. It should also take into account the welfare and retirement benefits of the workers so that they can maintain their self worth and self respect after retirement and continue to contribute to society in other ways and not be a burden to society. It is not possible for every worker to be financially secured during retirement, but efforts must be made to guide them in managing their funds in proper government or private sector schemes and to provide welfare benefits to those in the lower rung of society.

## 5. Corruption.

Corruption is the bane of any society, whether it is a developed or undeveloped one. It takes many forms and is operative on the individual, corporation and government levels. Individuals with authority seek gratifications by using the tactics of delays, coercion and sometimes outright demand for their services which are supposed to be free. For example, those in charge of procurements could in connivance with the suppliers inflate the purchase price to include their kickbacks which would be termed as commission. This could also happen on the corporation level when companies earn hefty commission from inflated price. Corruption on a much grander scale occurs in the highest echelon of government. There have been numerous cases of government leaders, politicians and even ministers being charged for corruption in court. The existence of the Anti-Corruption Agency bears testimony to the widespread nature of corruption at all levels of public and private enterprises. The human capital that are involved in corrupt practices spend more time on sourcing these illegal incomes than concentrating on their legitimate work.

However, quality human capital does exist within a corrupt society but it will not be a society of distinction because it will not have the moral or ethical fiber of such a society. In the end, corruption will cause the rot in the system in which the human capital will only render services when there is gratification. Such selfish interest and greed will undermine the national social and corporate visions. As a consequence there will be disenchantment, disruption, stoppages, and shoddy workmanships and higher costs which will affect the livelihood of the human capital themselves. Corruption must be weeded out to develop an integrated human capital to achieve a society of distinction.

## 6. Poverty

Poverty is an indicator that reflects the nature of the factors that influence the development of human capital. An agrarian society with basic educational opportunities and a low level technological know how will invariably be categorized as a poor country. For its economy is geared to meet the basic needs of the society. But even in developed countries, poverty exists as a result of the capitalistic free market enterprises. It is inevitable that there are poor people in every country even in the highly developed ones like Great Britain and The United States of America. Only that they form a minority in a highly developed countries and a majority in the under-developed ones.

The target is to reduce the level of poverty and the disparity of incomes. This it would seem to be the main agenda of every free country and it could be realised if there was proper economic planning and forthright god fearing and corruption free leaders who have the welfare of the people over their self interests. Thus measures to eradicate poverty are crucial in the development of an efficient human capital.

Yet despite all these efforts, there are still a substantial group of Malaysians living in poverty as a result of the uneven distribution of resources. Before we used to have the rural poor, who eked out a subsistence type of living, but now with rapid industrialisation there has developed a class of urban poor, consisting of people migrating from the rural areas in search of a new life. However, the situation in the urban areas does not favour those with minimal education and skills and they end up with menial jobs that pay poor salaries forcing them to live in squatter colonies. Urban poor becomes more prominent and drastic and are continually expanding as the cost of living in the cities is very high. As a result they become desperate and will resort to anything to survive, even to commit crimes, prostitution, thievery, drugs and other evils. As such they become a social cost to the society and contribute to the erosion of the quality of life of the human capital itself. To achieve the status of a society of distinction, poverty in the rural and urban areas must be addressed and solved.

## 7. Morals

Morals and ethical principles should be induced into the integrated human capital to create a forthright work force, that is disciplined, distinguished and productive and eschew elements that would

corrupt the work process. Such an integrated human capital with proper ethical background would enhance the output of the organizations they are involved in. The various facets of the organizations could function as a cohesive unit. Such high moral and ethical principles would translate into better benefits for the workforce. A workforce with a high moral quotient would prevent the proliferation of corrupt practices. But at times, the quest for profit maximization takes precedence over moral precepts. This results in unethical business practices. The temptation for quick and easy money would cloud a person's ethical integrity. Thus a strong and religious and moral background would go a long way in ensuring a high quality human capital.

#### 8. Health

Health is a very important ingredient in developing quality human capital. Work will be interrupted and productivity suffers if the workers are constantly on sick leave. The workers, therefore, need to have good mental and physical health. To maintain such a state they must have good nutrition, proper shelter and have access to affordable, subsidized or free health services depending on the nature of the organization they work for. In tandem with the development of quality integrated human capital, the government must provide a satisfactory infrastructure of public and private health services as well as rest and recreational facilities. Rest and recreation contribute to a healthy workforce. To this effect the government has incorporated this element into the working conditions that allow for weekend rest days and annual leave. It has also developed recreational sites for the workforce to spend their weekends and holidays. For optimum performance, the body and mind need rests and proper distractions so that they can maintain the efficiency level of their work. Occupation hazards and compensation must be worked into the terms of their terms of service.

#### 9. Self evaluation and self improvement.

Workers should periodically review their performance and seek to improve their skill and know how through personal or official (organization's) efforts. There are two levels to this process; one is voluntary and the other is self enforced. The majority of workers do not undertake voluntary self evaluation; but the proactive ones do while the rest coast along with their daily

routine. Such diligent workers take measures to improve their skills and gain value added experience.

The officially enforced self evaluation is a standard procedure as part of personnel performance evaluation both in the public and the private sectors. Its objective is partly to gauge the efficiency of the workforce and whenever necessary to give them training to improve their productivity. This process of upgrading will help maintain or advance the quality of the human capital and contribute to the profitability of the organization.

In theory, if all these factors come into play, it will generate a high quality integrated human capital that operates in a positive work culture environment. This is part of the perquisite for a society of distinction, one that is cultured and provides good amenities and infrastructural supports that ensures a vibrant intellectual, artistic and comfortable living environment, governed by an authority that has integrity, is honest and sincere in managing the welfare of the masses.

A society of distinction is not simply gauged by the per capita income which may not give the actual distribution of the country's wealth. Neither is the number of high rises or mega projects, ownerships of cars, although they form part of the indicators. A society of distinction should reflect above average living conditions, with a low poverty and unemployment index. It allows freedom of expression, minimal intervention in the personal rights and life of the individuals and provides security (police and military) for the undertaking of all legitimate activities. It fosters and nurtures creativity and generates healthy and constructive exchanges between individuals and the government and above all its leaders are impeccable role models within a reliable and stable political system. This some say is the utopian concept of a society of distinction.

People may say that it is wishful thinking to hope for such a society, a dream world that does not reflect the reality of life. They add that life is not all that rosy as it is fretted with imperfections as a result of human weaknesses and frailties. Society is composed of a mottled crowd of those with idiosyncratic tendencies, selfish intent and greed as well as those who are selfless, disciplined and with good intent. Nevertheless, we must strive for such a society by garnering the positive elements and discarding the negative ones. We may not achieve the ultimate but as we strive for it we improve the life process of the society which is dependent on the quality of the integrated human capital.

Within the context of Southeast Asian nations, Malaysia has an above average human capital (resource) that services the agricultural, manufacturing, building, educational, transport and communication and the service sectors that includes health, tourism, security and the arts. But its human capital is not in the forefront of technological development, thus the nation is only a consumer rather than a producer of technology. It mainly uses imported technology to service its needs.

In its effort to develop quality integrated human capital, the government has given greater emphasis on education. It has reintroduce English in teaching of science and mathematics and designated four premier universities as Research Universities. It has in fact set up excellent educational infrastructure facilities. But our problem is that the human capital has not risen to the occasion by employing these facilities fully. There are countries with much lesser facilities that have come up with ground breaking technological and medical discoveries. Cuba is one example.

A recent seminar, organized by Universiti Sains Malaysia, Social Strategic Foundation and ASEAN Strategy and Leadership Institute which was held in Kuala Lumpur on 4<sup>th</sup> January 2007, to evaluate the first three years of the current Prime Minister's tenure commented on the nature and quality of the human capital in the public sector. The participants ranging from academics, political analysts and politicians are of the view that Abdullah's policies are excellent but they are marred by poor implementation. This is an indictment not only on the civil service but the whole government machinery including its leaders and planners. It can be construed to mean that the policies are only good on paper or the public sector lacks the intellectual and mental capacity to ensure smooth and speedy implementation. It could also be inferred that they do not understand the policies or that they have their own agenda.

Therefore, the public sector must revamp itself and rise to the occasion to implement the policies in a manner envisioned by the planners and that they be carried out smoothly and speedily in the most cost effective way. Otherwise they would be accused of being inefficient and worse, corrupt.

The private sector, on the other hand, operates on a different efficiency and integrity level. They only employ those who meet their requirements and are motivated and disciplined. And they do not hesitate to terminate those who do not meet their expectations. Thus, the workforce is more committed as their fate

is entwined with that of the organization. Unlike the public sector which has a social responsibility of absorbing unemployable graduates, the private sector is not inclined to carry deadwoods.

Though the country has quite a sound human capital development strategy, it is, however, not a comprehensive one that adequately addresses the human capital shortages in such critical areas as medicine, engineering, special areas in pure and applied sciences such as nuclear technology, biotechnology, aeronautical engineering and the arts; since not all of these expertise could be developed locally, the government has sourced them from abroad.

As such, this situation gives rise to a two tiers of human capital development, a local and a foreign one. Foreign graduates are a premium and are sought after by multi national corporations, local private enterprises and government agencies that deal with foreign connections. Local graduates, especially the non professionals, face a tough time in the job market. The discriminatory preference for foreign graduates is firstly, they are proficient in English and have had international exposure and are broad minded and pro active. They have had to fend themselves in a foreign land that indirectly and subtly imposed their own values and norms on them and forced these students to explore and examine their own identity and come to a certain decisions to survive in the new environment. As a result they become more resilient and determined in the face of ethical, moral and educational challenges. Of course, some fall by the way side and others completely immerse themselves in their new cultural environment that they become strangers to their own cultural heritage. But the majority emerges intact but with significant mental and intellectual modifications. They are, therefore, regarded as quality integrated human capital.

Local graduates, though not lacking in intelligence, are too confined and ensconced in their own cultural tradition and home environment to elicit and provoke them to explore and to rediscover themselves. Most of the time they have to conform to stringent regulations of the Universities and Colleges Act which dampen creativity and freedom of expression manipulates the students to conform to a certain mode of behaviour, attitudes and perceptions. They are not allowed to think freely but told in no uncertain terms to just study and get their degrees and of course be involved in officially sanctioned activities.

But in actual fact, a university is not just a place to get paper qualification. It is only a part of the whole gamut of tertiary education. It is here that our university system has failed. A

university is a place where the students develop character in addition to acquiring knowledge. It is here that they develop communicative, interactive and organizational skills both in academic and non academic activities. They should be allowed to form their own opinion and their right to dissent be respected. But the authorities and the powers be will allow no such thing. They must conform to prohibitive rules. There is no autonomy in the universities even lecturers have to abide by what the authorities deem to be correct behaviour and attitudes. In short students' lives are regulated to the extent that their right to elect their own representatives is being compromised by the authorities. For example, The Student Affairs Department must approve a student candidature and he must fulfill some ridiculous requirements set by the authorities and they are only allowed a day to campaign. Posters must only have a picture and name of the candidate and the constituency he is standing. No other information must be included. There is no way for the student population to know what he stands for. Ballots are not secret and they can be traced back to the voter. Worse of all, the authorities are discriminatory in the campus election. This negates the very basis and ethos of democracy and it borders on dictatorship and even communistic.

This situation does not augur well for the development of a high quality integrated human capital that is infused with creative and imaginative faculties to perceive and solve problems and create new things. As long as we have this kind of regimentation in our universities, the students will also be lethargic in their thinking and action and forever be dependent on other people to solve their problems. Foreign graduates, who are not subject to such restrictions, therefore have a comfortable edge over local graduates.

The current work culture in Malaysia is satisfactory, but as the Prime Minister recently observed we have the necessary infrastructure but our output is not up to par. We must improve ourselves and shed attitudes that are detrimental to the development of quality integrated human capital. He cited the Cubans as examples of producing excellent human capital despite hardships and sanctions imposed by the United States of America. Cuba has world class biotechnology and produces vaccines that even their enemies are using and they are able to contribute medical assistance to other developing nations.

Another example is the Japanese work culture attitudes which is based on the samurai tradition of being (blindly) loyal to their masters and serve them to the end. This can be translated into

employee's loyalty to their corporation, never wavering in their steadfastness. Work is a part of worship and therefore has divine connotation and it also imparts a sense of personal pride. Let me tell you about a true story that reflects the Japanese pride in their work. My friend, Datuk Mirza Thayoob, the then Director of Tourism in Tokyo Japan, who hosted me there some years ago, and who is now The Director General of Tourism, told me of this incident. One day he decided to give his driver half a day off and told him to go home after lunch. Malaysian drivers would grab at this opportunity of having time off and thank the boss for his kind gesture. But not so for this Japanese driver who was shocked and saddened by this incident. My friend later discovered that, the driver thought that he was being punished for doing something wrong. He also found out that the said driver did not return home but loitered around until the usual time to go home. In the Japanese perception, to be home early on a working day would have reflected negatively on himself and his family and would be construed as unsatisfactory work. Such is the environment that nurtures work attitude par excellence and commits the work force to continuously improve itself.

Malaysian workers work attitude is a leisure one; generally, there is no compulsion to strive for excellence. There are, of course, some who work hard, but very few enslaved themselves to work as in the case of the Japanese. But given the official exhortation and opportunities for self improvement and the psychological and moral reengineering towards work, the human capital in Malaysia could aspire to greater quality bench mark and be competitive with or even surpass those from the developed countries.

But all these efforts will fail if the government of the day does not become role model of excellence. Those who make the policies and have the ultimate authority must be transparent, above board and clean and put the welfare of the people above their own. They are there to serve the people and the people will rise up to the occasion and together we could develop a world class integrated human capital in a society of distinction.