

Human resource management in transition economies

Transition economies like Kazakhstan need more managers and professionals. More managers and professionals need to be trained and developed. In a country with a transition economy such as Kazakhstan, economic development depends on the quality of work force, business leaders, managers, and visionary entrepreneurs. In turn, the quality of the work force depends on the quality of higher education in general and business education in particular (Low and Tai, 2005). Hence, there exists the vital need for more training and development.

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The transformation of Kazakhstan into a democratic, progressive society is being achieved by opening it up to worldwide knowledge and experiences, and by training highly qualified professionals with the best managerial skills. President Nursultan Nazarbaev in addressing the idea of improving the educational system stresses that "Our common agenda must begin with education. First and foremost, we must transform our population, which is already educated, and motivated into a work force for the future" (Nazarbaev, 2000).

Providing the Right Education and Training Programs

This is critical for reasons: First, developing countries contain more than 80 percent of the world's population, but they account for just half of its higher education students and for a much smaller proportion of those having access to higher education (Pai, 2004). Second, this is all the more critical when we

take into consideration the need to bridge the human capital and income gaps between the developing economies and the developed economies.

In Kazakhstan, the number of higher educational institutions has increased from 163 in 1996 to 314 in 2003, and the local enrolments in these institutions have more than tripled during the same period (The agency of Statistics of the Republic of Kazakhstan, <http://www.stat.kz/stat>). These rapid increases in higher education institutions and enrolments have contributed to better quality labor supply and that, in turn, may explain why Kazakhstan, among Commonwealth of Independent States (CIS), is the one country that has been able to sustain rapid economic growth. According to Bureau of European and Eurasian Affairs, U.S. Department of State, the officially recognized unemployment rate in Kazakhstan are: 13.5 (1999); 12.8% (2000); 10.4 (2001); 9.3% (2002); 8.8% (2003); 8.4% (2004 est.). Even with an unemployment rate of 8.8% (2003), the unemployed population came to 672,100 persons in a country of 15.5 million population. While Kazakhstan has expanded its higher education capacity and is doing reasonably well economically particularly among the CIS countries but it could further harness the full benefits of its educational programs by providing right education

and training to meet the changing requirements of business. One of the possible reasons for the relatively high unemployment rate is that, during a period of transitional economy, mismatches of skills and trade knowledge frequently exist between the existing workforce that were trained and worked in the centrally planned socialistic system; and, the labor force demanded in a transitional, rapidly developing global economy. While employers are looking for workers who can do the job in the market-oriented economy, workers with out-of-dated skills and knowledge become increasingly unemployable.

Providing business education

Low and Tai (2005) suggest that in a transition economy where labor mismatches exist, the right education should include re-training programs with

technical, job-oriented as the first priority skills emphasis in the first place. Second, business education at higher institutions should be the right education in a transition economy so that highly qualified professionals with the best managerial skills can be trained and developed example. Third, in a transitional global economy where foreign direct investments (FDI) are increasing and where Western multinational firms are expanding, the right education should include English language education. This is especially important at higher institutions providing business education. In short, the right education for transitional economies should be those educational and training programs that can adapt the existing education system to the economic environment created by the global market economy of the 21st century.

Bibliography

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