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Human Resource Development and the Global Economy

“I am the training manager for a company that employs 9,000 people. We supply parts to two major international automobile manufacturers headquartered in the United States. We have been told by these customers that all our employees must become knowledgeable in total quality concepts and competent in statistical process control. We have a 180 percent turnover of employees, and with this turnover we won’t ever get them fully trained. What are we going to do?”

This is not a theoretical question from a human resource development (HRD) certification exam. It was a question asked of me during a recent international conference. The question was emotional, sincere, and complex. I was speaking to people from another culture who were obviously dealing with social, political, and economic issues very different from most of ours. For example, it seemed to me that a societal rule was to have two-and-a-half people do the job of one person.

My response to the question was quick and simple. “You must begin by answering several questions. First, do you want to be in business? If so, do you want to be in business as a supplier to these two firms? If so, what is causing such a high turnover in your own firm?”

As you might expect, the continued exchange explored training versus nontraining causes of organization and individual performance problems—pretty boring dialogue for experienced HRD professionals. Even so, something important happened to me as this exchange took place. I gained a new view of the global economy and HRD. I began to think of total quality management (TQM) as a macro theory and of its impact on organizations as larger than the social, political, and economic theory that presently permeates the HRD rhetoric.

In many ways, TQM is an excellent blend of the two theoretical anchors of HRD regularly viewed as conflicting with one another—the human capital (economic) and human development (psychological) perspectives. HRD and TQM are natural partners. By definition, TQM is actively managed from the highest levels in the organization and cannot be accomplished without HRD. HRD must play a fundamental role in any organization wishing to transform itself into a total quality enterprise. The irony is that this role has evolved in many organizations without significant participation from the *traditional* quality control or HRD personnel.

Belief in human capacity, demand for excellence and profitability, steady mission and purpose, continuous improvement, responsibility and involvement at the top, and authority close to the work being performed are some of the key tenets of successful TQM and HRD. Quality-driven organizations require focused commitment, passion, support, and involvement from their top leaders. The global economy demands that organizations perform daily in ways that are at odds with the skills of most managers who run them. These conditions have been a constant challenge to HRD leaders, but TQM may be handing us these leadership precursors to organizational change.

With this in mind, the plant manager and training manager who have been acculturated to accept the illiteracy and high turnover of their 9,000 workers have some fundamental questions to answer as they are confronted by the quality movement. The first is "Do you want to be in business?" The global economy does not allow cultural differences to justify poor performance. The global economy does not allow managers to persuade local or national politicians to intercede on their behalf as they have in the past. The global economy does not allow managers to profit as easily from their own below-average performances. In the global economy, the total quality movement, with its critical HRD component, has the opportunity to put out of business competitors who unjustly exploit the spirit and labor of workers.

The worldwide competitive business and industry scene is not at all like a junior high dance attended by equally inexperienced suitors of like age with high energy and modest goals. It is more like a singles bar containing suitors of all ages, from all kinds of backgrounds, and with every imaginable objective. It is generally not a pretty sight. What is attractive about it are the opportunities the global economy and the total quality movement provide for the HRD profession. Managers have been ill trained in business schools and on the job to develop the knowledge and skills that are necessary to release the human potential of the people who work for them.

It takes only a trial subscription to any popular business magazine to figure out the opportunities. A *Fortune* cover story entitled "The Trust Gap" (December 4, 1989) highlighted both the ever-sweetening pay of executives out of touch with the humble employee and workers' lack of faith in management. But attempts by such magazines to capture the human side of the organization still appear hollow. A recent editorial challenge to build human capital was weak at best and was presented as a secondary issue (*Business Week*, September 25, 1989). Contrary to corporate myth, the research demonstrates that trust and learning in the workplace are both humane and lucrative.

The limited notions that "quality is free" and that "quality equals statistical process control" do not address the challenging people issues

of TQM and the global economy. The TQM movement provides an opportunity for HRD to demonstrate its theory and practice significantly. In fact, such a demonstration is required if TQM is to be a reality. We know enough to help organizations achieve their goals in a global economy, but now there is also a unique opportunity to sustain parallel research efforts to advance HRD theory and practice.

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