

The Idea of National HRD: An Analysis Based on Economics and Theory Development Methodology

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Recent human resource development (HRD) literature focuses attention on national HRD (NHRD) research and represents problems in both HRD identity and research methodology. Based on a review of development economics and international development literature, this study analyzes the existing NHRD literature with respect to the theory development methodology. The study presents four propositions that challenge the present idea of NHRD. This study concludes that the methods used in the NHRD literature fall short in rigor when compared to economic theory research. This study also presents detailed implications for NHRD policy research and theory development.

Keywords: national human resource development; economic foundation; theory development research; HRD policy

In recent years, globalization and transitioning economies have received increased attention from human resource development (HRD) scholars. An idea under the name of national human resource development (NHRD) has emerged in the HRD literature. The NHRD literature has attempted to expand the HRD discipline beyond established boundaries into national sociocultural contexts based on broad issues such as national economic performance and national health issues (see Lynham, Paprock, & Cunningham, 2006; McLcan, Osman-Gani, & Cho, 2004). Concerns have been raised relative to NHRD's confusion of HRD foundational purposes and theories (J. Wang & Wang, 2006a). It is important to highlight basic methodological issues in response to this early boundary-stretching stage of the NHRD idea. The fundamental intention here is to promote rigorous

theory development, strengthen the credibility of HRD literature, maintain a sustained healthy discussion on exploring new research frontiers, and drive the field toward increased maturity.

Research Problem

Existing NHRD literature presents challenges and problems to both HRD identity and development methodology that deserve close attention from the HRD research community. This study identified problems in the following three realms.

First, the NHRD literature has attempted to redefine HRD into human development (HD) with a recent “rediscover(y)” (McLean, 2006a, p. 9) of an earlier use of the term, *human resource development*, by economists (Harbison & Myers, 1964). Harbison and Myers (1964) coincidentally used the expression of HRD referring to HD (as we know it now) long before HRD became a defined field of study. Based on this outdated study in economics and its four levels of country development typology, a number of country-specific cases were presented attempting to alter and expand the domain of HRD into HD (see Lynham et al., 2006). Presenting a study out of its historical contexts, while ignoring the overall literature on economic development, and following the research domain defined by a single empirical study, is seen as problematic and misleading to sound HRD research and theory development (J. Wang & Wang, 2006a).

Second, methodologically the NHRD literature appears to be consistently bogged down by specific “data points” of individual countries and related contextual information and, thus, missed opportunities for HRD theory development. For instance, McLean (2004) stated that “each country will have its own definition of national human resource development, and that is appropriate and necessary” (pp. 270-271). In a more recent article, McLean (2006b), connecting 10 worldviews to NHRD and the United Nations Millennium Development Goals, also argued that “creating a typology (or synthesized summary) of the [10] worldviews presented here . . . is clearly not possible or useful” (p. 416). The reason was “because individual backgrounds are so diverse, we must . . . focus on understanding how this diversity affects our development of theories . . . and abandon efforts to identify a unitary theory or explanation” (p. 421). These opinions had long been refuted by known scholarly work capable of decoding the seemingly chaotic and diverse real-world phenomena and discover the pattern and order of the reality (Cambel, 1993). Less than adequate research methods will certainly result in seeing the individual “trees” while losing the sight of the “forest.”

A third challenge is a tendency to draw conclusions without evidence-based research. In a discussion of several countries’ national HRD policies, Cho and McLean (2004) concluded that the

United States is behind most of the rest of the world in acknowledging the value of NHRD. As a result, the United States does not have a clear vision of its national human resource development, and multiple agencies (perhaps as many as 125) overlap in offering uncoordinated aspects of NHRD. (p. 391)

However, no national-level analysis or study on U.S. HRD efforts was found in the literature.

In short, current NHRD related literature exhibits an ad hoc theory development strategy while selectively representing existing HRD theory and practice. These problems, if corrected, could positively affect the quality and impact of HRD national policy and HRD theory development.

Purpose

The purpose of this study is to analyze the major challenges and opportunities facing NHRD scholars. To this end, this study first analyzes the HRD and NHRD definitions associated with the NHRD literature and the idea of NHRD based on foundational economic and system theories. The 1964 Harbison and Myers project is singled out for analysis because of its purported importance in the NHRD literature.

Specifically, the purpose of this study is to increase the understanding on the idea of NHRD in the following three realms:

1. From a historical development perspective and incorporated with system theory, to reveal related economic foundation undergirding the NHRD literature;
2. Through the evolution of development economic theories, to explore why the expression of HRD was first created by economists and how it was used differently from the concept of HRD as a profession and a discipline;
3. Through integrating the preceding analyses and along with a review of the existing NHRD literature, to assess the adequacy of existing NHRD literature and the theory development challenges facing NHRD scholars.

Significance

This study is significant for several reasons. First, although economics is considered one of the major foundations of HRD (Swanson, 2001), the average HRD scholar's understanding of the economics has been primarily confined to human capital theory (G. G. Wang & Holton, 2005). Few HRD scholars have thoroughly explored the potential of the economic foundation and its applicability to HRD research and practice. Specifically, the understanding of the economic foundations of HRD has largely been intuition based, as demonstrated by the current NHRD literature. The NHRD writings frequently referred to such economic concepts in developing countries as poverty, labor market, unemployment, and national economic performance, growth, and so on without considering other system components in a national economic system (McLean, 2004; Paprock, 2006). Although G. G. Wang and

Holton (2005) extended our understanding to institutional economics, a wealth of other economics theories that were equally important to HRD research and practice has yet to be explored in the literature. With a more complete understanding of economic foundations, HRD scholars are likely to be better positioned to explore new research frontiers in the HRD theory development process.

Second, beside the economics literature, current articles on NHRD have overlooked a significant body of development literature from international and country-specific development agencies and communities. Without a complete understanding of current research and practice in international development, existing research in NHRD may appear to be reinventing the wheel. A thorough understanding of the development literature and the historical and contextual backgrounds has at least two advantages: (a) It helps interpret why economists first create the HRD concept and how it is used differently from HRD as a discipline, and (b) it allows HRD professionals to take HRD as a system component in the overall development system and thus form a joint force with the international development communities.

Last, but not the least, the development of economic theory is mature and can offer important implications for HRD theory development methodology. This study contributes to HRD theory development by identifying gaps in theory development methods between NHRD literature and economic research. This has particular significance for HRD as a discipline that calls on multiple theories in the process of establishing its unique disciplinary identity.

Method

This study adopted a focused literature review and analysis method. The literature search was comprehensive but not exhaustive. Specifically, the literatures covered the following areas:

1. *Literature on the theories of economic development.* The literature reported was from all major economic journals and publications considered classic, authoritative, and influential in economic theory development and national policy formation. For instance, *Journal of Development Economics* was reviewed from its 1974 inaugural issue. Because economic studies on development started long before 1974, and because they were scattered among all other major economics journals until now, all major economics journals were searched and reviewed based on the research purpose as early as the 1940s. Such journals include *American Economic Review*, *Economic Journal*, *Explorations in Economic History*, *Journal of Economic Literature*, *Manchester School of Economic and Social Studies*, *Quarterly Journal of Economics*, and *Review of Economic Studies*, to name a few. In particular, the study by Harbison and Myers conducted in the early 1960s was singled out for a detailed review and analysis with respect to NHRD literature because of its attractiveness to current NHRD research. Literature on human capital was reviewed only when it was relevant to the purposes of the study.
2. *Literature from international development communities.* This body of literature included both scholarly research, practitioner reports, and official documents by development agencies at the national and international levels. For example, the

review covered all *Human Development Reports (HDRs)* produced by the United Nations (2004, 2006) since 1990, and country-specific *HDRs* wherever and whenever available, for all countries covered by existing NHRD country-specific cases. All *World Development Reports* produced by the World Bank were also reviewed.

3. *The NHRD-related literature.* Because of its new appearance and limited country coverage, the literature on NHRD was mostly found in two issues of *Advances in Developing Human Resources (ADHR)*. We also found a third issue of *ADHR* on worldviews of religions and influential ideologies. On the surface, the issues on worldviews of religions may appear to be irrelevant to this study. It was included because the concluding article of the issue related all the worldviews to the idea of NHRD and the United Nations Millennium Development Goals. Considering the scope of the study on theory development methodology, our analysis would be incomplete without including this issue. In addition, *Human Resource Development International* and *Human Resource Development Review* were also reviewed for the same purpose.

It is well known that economics has always been unique among the social sciences for its reliance on numerical examples and mathematical models. For ease of presentation and space limitations, the review of the literature in economics omits all mathematical derivations. Whenever available, related supporting empirical studies of major economic theories are presented.

In the following sections, we first establish our point of departure by analyzing the HRD definitions associated with the idea of NHRD. We then review major theories of development economics, including the background and context of theoretical development from the Harbison and Myers (1964) project. The analysis then moves to the theoretical and practical challenges facing current NHRD scholars. Along with the analysis of the NHRD literature, four propositions are derived. Finally, the implications for HRD practice, research, and theory development are discussed.

Point of Departure: The Definitions

Intuitively, one of the criteria to assess the maturity level of a discipline should be whether the discipline has a well-established and rigorous definition. Unfortunately, HRD as a discipline has not been successful on this. Although it was not the intention of this study to present an in-depth discussion on HRD definitions, it is helpful, as a point of departure, to analyze the IIRD definition frequently associated with the idea of NHRD.

NHRD literature has not explicitly defined the concept of NHRD thus far. A definition of HRD by authors advancing NHRD has been offered. According to G. N. McLean and McLean (2001),

Human resource development is any process or activity that, either initially or over the long term, has the potential to develop adult work-based knowledge, expertise, productivity and satisfaction, whether for personal or group/team gain, or for the benefit of an organization, community, nation, or, ultimately, the whole of humanity. (p. 10)

According to this definition, HRD had three core components: "a process or activity," "adult" focused, and "work-based knowledge, expertise, productivity and satisfaction." The first component specified a process phenomena, the second defined the target population or subject of HRD, and the third set forth the substantive focus of HRD. The definition addressed "who" and "what" for HRD. However, the definition and the protocol that was used had at least three potential problems worth further analysis.

The first problem was that the definition focused unnecessary length on the benefits of HRD that were not normally spelled out in disciplinary definitions, either natural sciences or social sciences. Strictly speaking, the range benefits of a field are dependent on the application realms and scenarios, not on how well intentioned scholars define it. Nuclear physicists may easily define the ultimate goal of their discipline as being for the benefit of individuals (nuclear power consumers), organizations (nuclear power-generating firms and customer business organizations), a community, a nation, and, ultimately, the whole of humanity. Yet once the nuclear technology is in the wrong hands, such as a terrorism organization, all well-intentioned benefits disappear. The same logic applies to HRD. Regardless of all the benefits specified in the definition, terrorists (or any organized criminal organization) can use the same HRD theories and practices for training and organizational development interventions or for career development strategies to advance their evil purposes.

It would be amusing to define any mature discipline following the prototype of the HRD definition. For example, a parallel definition for economics could read as the following:

Economics is any analytical process or activity that, either initially or over the long term, has the potential to optimally allocate scarce resources, whether for personal or group/team gain, or for the benefit of an organization, community, nation, or, ultimately, the whole of humanity.

The discipline of economics as we understand it today would not exist if it were defined this way.

The second problem was the protocol of the definition being used in the NHRD literature. In different occasions, the NHRD literature used the same definition to define HRD and NHRD. In the inaugurating article of the NHRD idea, instead of defining NHRD, McLean cited the very same definition, incompletely. The word *adult* was replaced by an ellipsis (. . .), whereas the rest of the definition remained (McLean, 2004; also see McLean & Wang, 2007, p. 9-1). The problems were obvious: (a) Assuming the definition was sound and rigorous for HRD, such usage would clearly alter the target population of HRD to all human beings. It effectively changed the answer of "who" in the definition and effectively included child labor, legal or illegal, in some developing countries, among other possible subjects, as the domain of NHRD, given the third component on work-based knowledge, expertise, and so on. (b) Using the same definition by adding or removing a keyword to define a subfield of HRD raised

additional problems: If it correctly defined NHRD, then one must define HRD differently. If it correctly defined HRD, the subfield of NHRD will have to be defined differently. Therefore, only one case is possible for the definition to be correct and accurate. That is, HRD and NHRD are completely overlapping in research domains. But if this were the case, why would one bother to differentiate the two and call them different names? In short, citing a field's definition in any incomplete form, at a minimum, demonstrated that the definition was in need of revision or that the definition was proposed with problematic methods. Such a theory development approach and mind-set should be avoided by all responsible scholars.

Last, the above two problems combined resulted in a more fundamental challenge to the idea of NHRD—the identities and the uniqueness of both HRD and NHRD were lost in the definitions. Perhaps, having poor definitions, as a point of departure, sets the stage for the subsequent challenges and problems facing NHRD.

Critique Based on Foundational Economic Theories

Economic research has long been propelled by national policies and contemporary problems that other theory realms do not address or do not provide adequate explanatory power for. Development economics is a branch of economics that studies the economic progress and economic transformation of developing countries and measurement of national economic performance (Basu, 1997a; Ghatak, 1995; Ray, 1998). Although historically rooted in economics since Adam Smith, development economics has emerged as a separate subdiscipline in the 1950s and 1960s after World War II, when policies of almost all nations switched the focus to economic development in less-developed countries. The initial research effort was represented by the works of Lewis (1954) and Schultz (1964). During the past half century, development economics has become an amalgam of economics, sociology, anthropology, history, politics, education, and sometimes ideology.

Early economic development theory was merely an extension of mainstream economics that equated "development" with industrialization (Ghatak, 1995). It presumed that with the industrialization and the growth of gross domestic product, the improvements of the life quality of the poor masses in less-developed countries would automatically follow (Lucas, 1988). However, the reality was that most developing countries had experienced not only a decrease in the share of income accrued to the poorest 60% but also declines in the absolute income levels of the poor. Meanwhile, in the political arena, the interactions of social forces of modernization and existing power structures led to a certain degree of instability and internal violence and to less participatory forms of political structure. A general conclusion from development economics at the time was that political power and economic welfare in those countries were unequally distributed and that the economic development processes of the 1950s and 1960s had

not led to the intended result in massive improvements in the welfare of the poor but had increased inequity (Adelman, 1974). This contextual background also formed a base for Harbison and Myers's (1964) study, discussed subsequently. To explain the dilemma and identify breakthroughs for developing countries, the following major development theories emerged.

Rostow's theory of development stage. Early development economists considered developing countries mostly as "primitive" versions of developed nations that could be, with sufficient time, "developed," through institutions and standards of living, into those of Europe and North America. This view was reflected by Rostow (1959, 1971, 1990), an economic historian, in his theory of five conceptual stages of economic development. Rostow considered the world to be a set of nations, or societies; each one, through a separate creature, went through a sequence of five stages as its economy developed. The stages have memorable names. Stage 1 is traditional society, Stage 2 is preconditions to take-off, Stage 3 is takeoff, Stage 4 is drive to maturity, and Stage 5 is age of high mass consumption. Rostow also described detailed characteristics of each stage in terms of economic development. Rostow used a subtitle (*A Non Communist Manifesto*) for his influential book perhaps because his theory was deemed to be an alternative to Marx's famous development pattern, by which feudalism gave way to bourgeois capitalism, followed by socialism and then communism.

In general, the United States is considered to be in the fifth stage, China at the beginning of its takeoff stage, and Sudan still in the first stage, with 80% of its population in agriculture (estimated from *HDR* 2006; Ross, 2004). However, for development economists and developing countries, the urgent drive is to accelerate development and to see what can be achieved in a decade or so rather than waiting for what is thought to be a century-long cycle.

Rostow's theory stimulated a great deal of research interests and efforts in economic development research and practices. The first edition became instantly and widely influential when it was published in 1960. It has been considered "a classic" in development theories (Tai, 1991, p. 898). Many policy proposals were developed based on the stage theory (Bauer & Wilson, 1962). Within a few years of the first edition of the book, numerous empirical studies were conducted using historical economic data from a wide range of countries, including Argentina, Britain, Canada, Chile, Denmark, France, Germany, Italy, Japan, Mexico, Norway, Russia, Sweden, and the United States, to name a few, to test Rostovian stage theory (Fishlow, 1965). Almost all studies were to identify when, where, and how the economic takeoff stage, if any, started. Among the country-based studies, some countries, such as Denmark and Italy, fit the Rostovian hypothesis well, as reported in Kuznets (1961). However, others failed to conform to the Rostovian framework with economic precision. At the same time, regional data were also used to test the model for economic development, such as New England in the United States (Fishlow, 1965).

Until the 1990s, economists acclaimed Rostovian theory's worldwide popularity and influences in economic development, as evidenced in Tai (1991).

Tai described an example of a peasant using Rostovian terminology in a remote Chinese village:

Many people in the non-Communist world interested in the idea of economic growth have also read the book. Not a few academicians studying national development have built *The Stages of Economic Growth* into their lecture notes. Some policymakers, planning staff, and budget specialists in the Third World have taken *The Stages* as something of a visible hand guiding them to the path toward national affluence. (p. 896)

Economists even used the term of *Rostovian School* (Supple, 1984, p. 109) to emphasize Rostow's contribution to economic development thoughts. Moreover, at least one economic conference of the International Economic Association was devoted to Rostovian theory (Fishlow, 1965).

Vicious circles, poverty traps, and the big push theory. From a systems point of view—since the early 1940s—the phenomena of underdevelopment and low-level equilibrium have been extensively investigated in the economics literature (Myrdal, 1944, 1957, 1968; Nelson, 1956). The purpose was to explain the puzzling phenomena presented by the development reality. Because of economic system negative feedback, poverty tends to be persistent and reinforced between systems and system components. Thus, poverty prevails in a sustained way until it meets some countervailing force. Such phenomena were defined as vicious circles, poverty traps, or low-level equilibria (Ray, 1998). Sometimes the relationship was also referred to as the “Matthew Effect” (Merton, 1968, 1988), named after the biblical reference:

For to every one who has will more be given, and he will have abundance; but from him who has not, even what he has will be taken away. (Matt. 25:29)

In other words, the “rich get richer” and the “poor get poorer” or “them that have, gets” (Kelly, 1994, p. 469).

Among numerous vicious circles explored in the literature, several should be of interest to NHRD scholars (Hirschman 1957; Leibenstein, 1957; Myrdal, 1957; Nurkse, 1953). On the demand side, low per capita real income causes low effective market demand, which leads to low incentives for capital investment and thus low productivity. The consequence again comes back to low per capita income. On the supply side, low income produces low savings and leads to low investment potentials. The resulting situation again is low productivity and subsequent low per capita income (Ray, 1998).

Another vicious circle is among the interlinked factors of poverty, population growth, and environmental degradation. Environmental degradation and population growth exacerbate one another in a causal link that reinforces the poverty. Greater population causes a worsening environment, and a worsening environment leads to more rapid population growth (Cleaver & Schreiber, 1994; Dasgupta, 1995). For the second part of the vicious circle, the greater scarcity of natural resources leads to a higher relative value of children for the

purpose of obtaining scarce environmental goods and results in a higher fertility rate. These vicious circles were blamed for the underdevelopment of developing countries. Under numerous similar vicious circles, developing countries were considered to be trapped in poverty and stayed in underdevelopment.

The "rich get richer" phenomenon, on the other hand, is a virtuous circle observed in developed countries. To avoid a world economy functioning under the two types of circles that operate and drive the dynamics of divergence in opposite directions, a "critical mass" in between is deemed to be necessary (Stiglitz, 1998, p. 13). Such critical mass requires enough economic forces to break up the low-level equilibrium (vicious circle) to get out of the poverty trap in developing countries. Commonly, a comprehensive development effort of coordinated action is considered crucial to achieve the critical mass.

A classic theory of creating critical mass is Rosenstein-Rodan's (1943) "big push" theory. With an imaginary country, Rosenstein-Rodan introduced a well-known big push strategy, which was considered to be effective for overcoming the vicious circles. The idea is that if several sectors in a nation simultaneously adopt increasing returns—through government-coordinated efforts it will create a source of demand through spillover effect and make industrialization profitable. This theory was proved to be mathematically sound in a later study by Murphy, Shleifer, and Vishny (1989). Yet more recent studies argued that there was no such thing as government-coordinated efforts because government itself is part of the problem in the development systems and is part of the endogenous set of institutional variables to be explained (Basu, 1997b, 2000; Dixit, 1996).

Based on work using Chinese census data by Jalan and Ravallion (1998) and Ravallion and Jalan (1999), Hoff (2000) demonstrated that by inducing a movement out of the old equilibrium (sufficiently far and in the right direction), the economy could be "attracted" to a "good" equilibrium. Other recent studies also explored models in breaking vicious circles in anticorruption (Tirole, 1996), information and relationship exchange (Kranton, 1996), and stockpiling natural resources (Kremer & Morcom, 2000) in developing countries.

Trickle-down hypothesis. Although increased income inequality may raise the issue of social instability and reduce the welfare of the poor, it was widely believed among development economists that the accumulation of wealth by the rich was good for the poor through a trickle-down or spill-over effect (Ray, 1998). The idea is simple: With enough growth and little intervention to correct income inequality, the fruits of economic development will eventually filter or trickle down to the poor, as the demands for what the generally unskilled labor can offer are magnified. A frequently cited example in the literature was the U.S. government's spending during the two world wars, which affected the demands for skilled versus unskilled labor in the economy. An increase in government employees in the workforce was associated with a significant increase in income equality in the United States (Lindert & Williamson, 1985). Aghion and Bolton (1997) mathematically proved that under an imperfect market the trickle-down hypothesis was indeed attainable in the long run, with

room for government intervention to accelerate the trickle-down process. In development reality, China adopted a similar policy, known as "allowing a portion of people getting rich first" (*rang yi bu fen ren xian fu qi lai*) in the 1980s and proved to be effective in early economic development.

Dual labor market theory. Economists believe that underdevelopment is not only a systems problem as described by the theories of vicious circles but also a structural problem. One of the most influential structuralist models that had been dominating the economic thinking in development economics was Lewis's (1954) dual economy with unlimited supplies of labor. Lewis started from a premise that developing countries were characterized by two separate and distinctive economic sectors, a traditional agricultural sector and a capitalist industrial sector. The agriculture sector was characterized by labor surplus, or disguised unemployment, which had low or zero opportunity cost. The expansion of the industrial sector could be nourished by supplies of cheap labor from the agricultural sector. Therefore, economic development was a process of reallocating the surplus labors from rural area to industry where they could become productive members of the workforce. However, not all rural surplus labor could be immediately absorbed at the same time because the scale of the modern sector was limited by the supply of capital. Thus, capital accumulation became both the bottleneck and the engine of development.

The dual economy theory of development led Kuznets (1955), the laureate for the 1971 Nobel Prize in economics, to discover how an economy that drew more and more people from low-income agriculture into high-income industry would first increase, then decrease, the inequality of incomes in developing countries. Lewis's dualism model has been well accepted by policy makers in developing countries and international organizations. Many development strategies and policies were formulated and implemented based on the dual economy model. For this and other contributions in economic development research, Lewis, together with Schultz, received the 1979 Nobel Prize in economics.

Because of the scope of the study, many other theories and models in development economics that have been developed and practiced in developing countries cannot be exhaustively reviewed. Those theories cover a wide range of economic sectors that are closely related to a developing country's economic systems performance and well-being of the citizens, such as capital and credit markets, land ownership and reform, rural-urban interactions and migration, and international trade. Nonetheless, all those aspects combined indicate that economic development at the national level is more than a complex and monumental *socioeconomic system* project that cannot be addressed by focusing only on specific cultural and historical contextual or HRD issues alone.

The Harbison-Myers (H-M) Study

To understand why economists first engaged the concept of HRD, it is necessary to understand the contextual research background of the H-M study (Harbison &

Myers, 1964) in the early 1960s beside the development economics theories. Development economics and human capital studies were the twin topics simultaneously pioneered by Schultz (1961, 1964), among others, in the mid-1950s. On the human capital research front, the pioneering work triggered immense interest among economists. By 1976, there were almost 2,000 studies in the economics literature on human capital, as recorded by Blaug (1976a).

The human capital inquiry, however, had not been a smooth one. Doubts and disagreements were generated even from some prominent economists of the time. Among the critiques, Shaffer (1961) argued that "it is generally inadvisable to treat man as human capital" and that "economics has little to gain and much to lose by the universal application of the capital concept to man" (p. 1026). In addition to technical difficulties involved in measuring human capital, Shaffer further claimed that education should be treated as consumer goods. Others, while believing that education could change attitudes, expectations, and preference patterns, contented that acquired skills that increased future personal earnings had no financial meanings (Wiseman, 1965). In fact, such debate lasted well over a decade. Until 1976, 3 years before Schultz received the Nobel Prize, Blaug (1976b), a well-regarded British economist, still predicted that

the human capital research . . . will gradually fade away to be swallowed up by the new theory of signaling. . . . In time, the screening hypothesis [for a detailed discussion, see G. G. Wang & Holton, 2005] will be seen to have marked a turning point in the human investment revolution in economic thought, a turning point to a richer, still more comprehensive view of the sequential life-cycle choices of individuals. (p. 850)

Under the above contextual background in economics research, the H-M study, combining the new theoretical advances in human capital theory and development economics, explored 75 countries' economic development realities. With empirical data, the study categorized the 75 countries into a four-level typology and cross-sectionally estimated composite indices of the countries' economic development status in conjunction with their human capital accumulation. Largely a development policy study based on human capital theory and exploring the development economics frontier, the H-M study created an expression, *human resource development*, consistent with the study's focus on measuring development status by the number of medical doctors, number of engineers, and average years of education, among other things, in relation to the countries' total population. The indices were referred to as Harbison-Myers Composite Index of Economic Development in the subsequent economics literature and became a forerunner of the UN Human Development Index (HD Index). Based on the empirical study, H-M further proposed comprehensive policy recommendations to national decision makers of the developing countries. The policy recommendations were considered influential during the 1960s and 1970s (Sobel, 1978).

At the same time, the H-M study also supported the debate on human capital research. Evidently, the study took human capital theory as a foundation as

presented in the section titled "The Economic Analysis of Man" (pp. 3-11). Sobel (1978) provided an assessment on the H-M study's role in economics theory building in a comprehensive review of the two economics research fronts:

Of equal note and importance in these events [human capital research efforts] were the subject matter and analytical changes which then characterized labor economics. By the end of the [1950s] that field had been transformed into one primarily dealing with human resources and manpower. That field, formerly largely descriptive and institutionally oriented, was brought back into microeconomic theory and made some notable contributions to its evolution. Perhaps these developments are best illustrated by changes in the emphasis of the Inter-University Project (Harbison, Myers, Dunlop, & Kerr) sponsored by the Ford Foundation, which initially had a major focus on the study of labor movements in economic development. (p. 281).

Sobel (1978) further assessed,

The indices of human resource development first published by Harbison and Myers in their 1964 work, *Education, Manpower and Economic Growth*, had a major impact upon both the developed and underdeveloped parts of the world. The work combines a highly perceptive policy- and strategy-oriented analysis of problems of human resource development in the various countries studied with the indices, which are the most publicized aspects of the work. The indices were the summed results of selected ratios of school enrollments, of various types, heavily weighted toward higher-level education and toward technical, vocational, scientific, and technological fields, namely, the so-called heavy investment-in-man categories. These human resource development indices, grouped into four categories, were correlated with national income in the same 75 countries, also grouped into four categories. High correlation ratios were obtained between human resource and income groupings, and these were interpreted as suggesting that the way to move upward into the higher national income categories was to increase investment in humans along those lines heavily weighted in the indices. (p. 287)

IIRD, as used by the H-M study was a point of departure for subsequent study on national development policies in increasing "investment in humans." Their HRD concept was also a continuation of many other earlier studies in development economics on the same topic. For instance, Lewis (1955) stated,

The advantage of economic growth is not that wealth increases but it increases the range of human choice—the case for economic growth is that it gives man greater control over his environment, and thereby increases his freedom—economic growth also gives us freedom to choose greater leisure. (pp. 420-421)

From the context of various economic studies, it is not difficult to interpret that HRD in the sense of these economic studies refers to the much broader concept of HD.

The significance of the H-M study was its effort to combine the latest theories in development economics and human capital and in attempting to develop

composite HD indices. They did this through empirical data from the 75 various countries to comprehensively measure the development performance and human capital accumulation status, referred to as the Harbison-Myers Composite Index of Economic Development. Adelman and Morris (1968) used it as one of 15 economic indicators to empirically measure the economic development potentials for 17 developing countries. Subsequently, Morris (1979) created the Physical Quality of Life Index, with three indicators of development: infant mortality, literacy, and life expectancy, conditional on reaching the age of 1. We can clearly see here the UN Millennium Development Goals, and the measurement of development echoes the late 1970s and the H-M study. These efforts in indices of development were forerunners of the HD Index used by the United Nations today (Ray, 1998).

It is important to note that during earlier human capital research, economists had not distinguished the concepts of human capital investment, HRD, and HD. For example, Ripley (1972) discussed politics of economic and HRD in a way similar to that used in the H-M study. In fact, this can be seen in the economics literature as late as 1997 (Shah, 1997, p. viv). Other terms were also used to convey the same concept, such as *human investment* and *investment in man* (Sobel, 1978, pp. 279, 287). Clearly, the concepts of *human*, *human resource*, and *man* in economics cover the entire human life span and refer to HD. It is questionable for contemporary HRD to extend the domain of HRD to HD. As pointed out by J. Wang and Wang (2006a), HRD and HD are two different fields of studies and practices and are based on completely different assumptions.

At least one point is clear. It was not the intention of the H-M study to define a field of study or discipline called HRD. Their purposes were to pioneer a measurement mechanism for overall economic development from human capital and HD through empirical study and propose policy recommendations for the countries under study. Historically, economists have used a number of other terms that are frequently used in today's HRD literature. For a clarification of the common terms used in both economics and HRD, readers may refer to G. G. Wang and Holton (2005).

In summary, examining the H-M study in the context of historical and economic development, it was one step during a long march of human capital and economic development theory building and their application to international development policy studies. The expression of HRD cannot be used in economics to redefine HRD as a field and a profession. Nonetheless, the H-M study was an exemplary national policy study.

Critique Based on Theory Development Research Methodology

This section analyzes the current NHRD literature and the related development literature. The focus is on the challenges facing NHRD literature with respect to development economics and theory development methodology. Four propositions are derived from the analysis.

As is well known in development communities, since the first *HDR* published by the United Nations in 1990, the United Nations has actively promoted and supported each member country to produce national and subnational *HDRs*. As a result, many developing countries have published country-specific *HDRs* since the early 1990s, including almost all of the countries covered by existing NHRD articles. The literature search for this study revealed the following samples of *HDRs*: Brazil 1996, China 1999 and 2005, Morocco 1997, 1999, and 2005, the Philippines 1994 and 2000, and South Africa 2003. Assuming HD was a legitimate extension to the field of HRD, country-specific *HDRs* would provide more detailed authoritative and more specific sources on national historical, cultural, and socioeconomic contexts. Yet none of the country-specific cases in the NHRD literature have referred to the corresponding country-specific *HDRs*.

Moreover, as presented earlier, the H-M study was a forerunner of the concept of IID (*not* HRD) and the subsequent HD Indices adopted by United Nations since its first *HDRs* in 1990. The country typology or classification suggested by the H-M study was replaced by the UN classification several decades ago. For example, in *HDRs 2004*, the United Nations used two separate country classifications. The first system uses HD Indices and includes three categories: (a) high HD, including countries with ratings of 0.8 and above, (b) medium HD, including countries with ratings of 0.5 to 0.799, and (c) low IID, including countries with ratings below 0.5. The second system uses gross national income (GNI) and includes three categories: (a) high income, including countries with GNI per capita of \$9,076 or more in 2002, (b) middle income, including countries with GNI per capita of \$736 to \$9,075, and (c) low income, countries with GNI per capita of \$735 or less. Even NHRD authors have acknowledged the H-M study's "outdated country classifications" (Lynham & Cunningham, 2006, p. 129). Nonetheless, a number of existing country-specific cases reported in the NHRD literature ignored the UN standard classifications and still used H-M's outdated country classification (Cox, Al Akroubi, & Estrada, 2006; Paprock, 2006).

Furthermore, without conducting a country-specific study, some HRD scholars reached a conclusion about national HRD policies in the United States:

[The] United States is behind most of the rest of the world in acknowledging the value of NHRD. As a result, the United States does not have a clear vision of its national human resource development, and multiple agencies (perhaps as many as 125) overlap in offering uncoordinated aspects of NHRD. (Cho & McLcan, 2004, p. 391)

Clearly, this conclusion was not based on our current knowledge about the U.S. national context of workforce development and national HRD history and reality, nor was it based on the foundational economic theory of human capital investment.

The above conclusion about the United States would actually lead to the following critical questions: If all those developing countries in the current NHRD writings were performing so well with respect to NHRD, why were they still so "behind the rest of the world" in national economic development and growth? This question logically leads to the next: How effective was the idea of NHRD as a theory or as a national strategy to guide national HRD and economic performance? An equally critical question is, If the United States was indeed "behind most of the rest of the world in acknowledging the value of NHRD," how and why could it still be so advanced as a recognized world economic power, with 70% of its total capital as human capital? (Becker, 2002). Answers to these questions (and the related conclusion) have not been addressed in the current NHRD literature, and they need to be addressed.

It can be strongly argued that the United States has a well-defined national HRD policy and implementation system and a supportive legislative system. The U.S. government has invested billions of dollars in workforce development in various areas. Let us simply consider some influential facts during the past half century: The U.S. government implemented the Manpower Development and Training Act during the 1960s, the Comprehensive Employment and Training Act during the 1970s, and the Job Training Partnership Act during the 1980s, not to mention numerous other initiatives under the names of school to work or welfare to work (Crawford, 1993) and the most recent case of No Child Left Behind, which should be logically considered in the domain of current NHRD research. These national policy initiatives have been extensively studied and well documented in the literature (e.g., Barnow, 1987, 1989; Geraci, 1984; Heckman & Hotz, 1989; Heinrich & Lynn, 2001; Johnson, 1989; Kiefer, 1979; Potter & Youngman, 1995).

The 1990s witnessed U.S. national HRD policy entering into a new era, as represented by the Workforce Investment Act (WIA; U.S. Public Law 105-202, 1998). Recently, WIA was further expanded to the American Competitiveness in the 21st Century Act of 2000 (ACWIA 2000), specifically for national technical skills development. Under WIA and ACWIA, the United States established a national network of workforce investment boards (WIBs) at the federal, state, and local community levels (O'Shea & King, 2001). The WIBs consisted of leaders from the government agencies, major employers, community colleges, and local communities, making decisions regarding workforce training and development. One-stop service centers were established nationwide to improve the efficiency of the national HRD delivery system (Holzer & Waller, 2003). Although the scope of this study is not to explore the U.S. national HRD policies and systems, the brief facts presented should be sufficient to reach a tentative conclusion, that the U.S. national HRD system possesses almost all of the 21 "attributes of excellent NHRD" proposed by Cho and McLean (2004). With the NHRD literature so focused on the contextual backgrounds for all countries covered, scholars should also consider the contextual and historical background of the U.S.

Rather than presenting opinion, further analysis would reach substantive conclusions as to U.S. national HRD policy supporting or violating the propositions of sound human capital theory. However, such an analysis is a subject requiring a separate study. Nonetheless, the low level of analysis in the NHRD literature does point to an issue critical to theory development research methodology. That is, lacking evidence-based research and theory development rigor, the present level of NHRD scholarship will not help to advance our understanding of the discipline of HRD and may even misdirect the profession. Thus, the following proposition is in order:

Proposition 1: Current research on NHRD does not advance our knowledge of economic development, HD, or HRD under different cultural contexts.

This proposition logically leads to the next layer of analysis. From the NHRD literature, it was not clear whether (a) NHRD has currently been formulated in all of the countries studied or whether some HRD scholars attempted to impose a predefined paradigm to fit into what has already been established in various countries based on limited country cases or (b) the studies were to investigate and explore current HRD national policy practice in various countries and theorize the similarities and differences based on country-specific contextual background for the purposes of proposing HRD policy recommendations.

Other than those of the United Nations, current studies on NHRD barely refer to any other influential international forces in promoting economic development and HD in developing countries. Based on theories of development economics, the United Nations, together with three major sister organizations, the World Bank, the International Monetary Fund, and the World Trade Organization, has coordinated wave after wave of international development initiatives over the years. There were also hundreds of other regional nongovernmental organizations, such as the Asian Development Bank, the Asian Pacific Development Center, and the like, in all parts of the world engaging in the same efforts.

Beyond the government-coordinated efforts as represented in the country-specific *HDRs*, scholars and practitioners from many disciplines have been conducting HRD-related research and practices for decades in developing nations. In development practice, many approaches familiar to today's HRD professionals have already been proposed and implemented since the early 1980s. For example, realizing the multidimensionality of poverty, development practitioners proposed participatory and empowerment approaches to transforming the poor to become active agents rather than passive recipients of aid in developing countries (Cohen & Uphoff, 1980; Goulet, 1989; Weinberger, 2000). Recently, Streeten (2002) provided an overall assessment of the approaches and proposed policy recommendations for effective implementation.

Scholarly studies that fall in the contemporary HRD arena can also be found. In a study of the Singapore skills development system, Kuruvilla, Erickson, and Hwang (2002) developed a framework to assess the national

skills development effort. The study concluded that although the Singapore model might not be easily duplicable in other developing countries, some important principles would be transferable. In a more recent study funded by the Canadian International Development Agency, Liu and Wall (2005), scholars in the field of tourism, explored HRD in the Chinese tourism industry and proposed policy recommendations. Obviously, HRD national policy research and practices as presented in the NHRD literature were in full swing across the world long before HRD professionals raised and articulated the importance of the issue. These facts lead to Proposition 2.

Proposition 2: Current studies on NHRD are not based on accumulated knowledge and practices by development economics and international development communities. They appear to be reinventing development research.

To explore the second point above, it is necessary to review the idea of expanding the HRD domain into HD, as argued in the NHRD literature. In comparing 12 developing countries and 2 developed countries' socioeconomic and cultural contexts, Lynham and Cunningham (2006) maintained that "when nations are the targeted performance system, . . . the purpose of HRD becomes to develop and unleash human expertise for national economic performance, political and social development, growth, and well-being" (p. 119). On the other hand, an analysis of the key terms used in the five NHRD models proposed in the current NHRD literature revealed that the constructs or variables contained in the models include "policy and strategy," "role of central government," "planning of government," "economic development," "national development plan," "planning," "economic needs," "tax incentives," and so on (Cho & McLean, 2004, pp. 383-385; Lynham & Cunningham, 2006, p. 123). All of these key terms indeed pointed in the direction of national policy studies that should be undertaken by a subfield transcending HRD and policy studies (J. Wang & Wang, 2006a). This orientation was consistent with the term *HRD as a national policy*, occasionally used interchangeably with NHRD in the literature, although the connotation of *HRD as a national policy* still appeared to be confusing.

Development-related literature informed us that at a national level it was the role of national policies and the outcomes of the policy implementation that "develop and unleash human expertise for national economic performance, political and social development, growth, and well-being" (Lynham & Cunningham, 2006, p. 119). HRD as a field of research and practice, similar to all other fields involved in a development process, should be in a position of assisting the formulation and implementation of HD policy, assessing the outcome of policy implementation, and providing policy recommendations through research and HRD-related practices. To this end, Proposition 3 is subsequently presented:

Proposition 3: From a theory development perspective, it is logical and methodologically consistent to categorize current NHRD research as HRD policy studies. Any overemphasis of the role of HRD is likely to be in violation of systems theory.

With respect to research approaches and methodologies, it is helpful to compare NHRD literature with economic studies. Not being confounded by the national contextual diversity and country-specific situations, the H-M study reviewed above was able to identify the commonalities of economic development with respect to human capital accumulation among the 75 countries under study. It further inductively derived composite indices for proposing policy recommendations and guiding government decision making, which had greatly influenced economic policies around the world. In contrast, the NHRD research appeared to be trapped in the complexities of national cultural, historical, worldview, and socioeconomic contextual phenomena within the specificity of limited countries covered thus far and argued that "each country will have its own definition of national human resource development, and that is appropriate and necessary" (McLean, 2004, pp. 270-271). Similar arguments are also found in a recent article. In a summary of the 10 worldviews of religions, McLean (2006b) concluded that "creating a typology (or synthesized summary) of the worldviews presented here . . . is clearly not possible or useful, given this vast range of perspectives" (p. 416). By connecting the worldviews to the idea of NHRD and the UN Millennium Development Goals, McLean further stated, "Because individual backgrounds are so diverse, we must . . . focus on understanding how this diversity affects our development of theories . . . and abandon efforts to identify a unitary theory or explanation" (p. 421).

If the above arguments were true, the world in which we live would be so much less than it is because no theory would be possible and no disciplines would be established. For ease of analysis, let us take an example of statistical method that may be familiar to many.

In any survey-based statistical analysis prepared for scholarly research, each data point or observation in a chosen sample could be "so diverse" from the rest of the data. If the researchers solely "focus on understanding how this diversity affects" the subject under study, they may not be able to generate research-based findings or derive theories from the seemingly chaotic or diverse data. Rather, researchers would apply statistical tools, including means, standard deviations, and so on, to measure and understand the similarities and the differences of all data points (i.e., central tendency). Eventually, they would wish to identify more in-depth relationships among the data points with more advanced approaches in statistics, such as correlations, ANOVAs, regressions, multivariate analyses, and so on. With those relationships identified, they would be able to report the patterns, characteristics, and generalizability of the relationships from the given samples of data. Diversity of any phenomenon, even chaos, cannot become an excuse for refusing scholarly inquiry, not to mention that scientists long before developed chaos theory to address much more complex and chaotic situations (Cambel, 1993).

In short, refusing synthesis by claiming theory development efforts under the banner of diversity as "clearly not possible or useful" (McLean, 2006b) is to shy away from the research challenges. HRD phenomena, like the world we

live in, are full of variations or diversity. The task of scholarly research, including theory development, is to decode the seemingly chaotic phenomena and discover the order, the nature, and the pattern of the world and, ultimately, to guide the process of changing the world. Consequently, we close with Proposition 4:

Proposition 4: The current NHRD literature is at a raw data collection and formative stage and has not identified appropriate method or theory development tools to decode the relevant theory-related questions for advancing the discipline of HRD.

The review of major development economics theories and studies, the analysis, and the findings presented do not imply that HRD as a profession and a discipline is not important in the process of economic development. However, to play an active and meaningful role in developing a nation's economic performance and human resources, HRD professionals need to take economic foundations, systems theory, and country-specific contexts as given and explore opportunities that not only contribute to international development practice but also enrich HRD theory building to add value to the accumulated knowledge and practices. The following section discusses the implications of the study for HRD practice, research, and theory development.

Implications for HRD Practice and Research

In the area of HRD national policy studies, HRD professionals have the opportunity to make significant contributions to the development of a nation. Although contextual background varies in different countries and economic systems may display extreme complexities, HRD researchers can choose to focus on development commonalities to discover and develop commonly applicable approaches to HRD national policies and practices. The related research should explore "best practices" that can be applied to other countries while solving context-specific problems in individual countries. In this aspect, the H-M study provided an important protocol for future national HRD policy studies.

Many economic theories and models have been tested in developing countries and have proven to be effective in policy formation and implementation. HRD scholars should take advantage of these theories and apply them to HRD-related international development research and practice. For instance, to analyze HRD policy issues in developing countries, scholars need to not only understand the development stage of a specific country according to Rostow's theory but also, with a system view, consider the causes and persistence of various vicious circles that may affect national and regional HRD policies and initiatives. One particular research area HRD scholars may explore is the competencies required at different development stages in different countries, proposing development strategies and policies to assist policy makers in achieving national economic goals and bring a country to the next development stage.

Consistent with the system theory, economic studies on vicious cycles and international development have demonstrated that among all variables constraining economic development, such as physical capital, human capital, financial system, trade, and institutional structure, any single variable alone, including HRD, is not sufficient enough to break up sustained underdevelopment. This implies that HRD professionals must work together with other development-related professions, such as economics, sociology, and business and industry, and with government officials to form a joint and integrated force and create "the critical mass" to realize the big push strategy for overall development. Overemphasizing HRD's role by stretching its boundary beyond the domain of the field into HD would likely diminish HRD's unique identity and also hinder its distinctive contribution to the process.

The dual labor market theory has important implications to HRD research and policy studies in developing countries. Developing human resources in rural areas is completely different from doing so in industry sectors because of the differences in skills and competency requirements. HRD scholars and practitioners may need to consider different strategies through research and practice to prepare workforce skills and competencies in the two different labor markets. Research on approaches to bridge the dual labor market may include (a) developing skills that may create rural entrepreneurs and niche industries; (b) preparing the rural workforce to be absorbed into the modern sector with necessary skills, which may include not only basic literacy training but also skills necessary for the modern sectors, such as service skills; (c) studying existing modern sectors' HRD-related policy issues, such as those presented by J. Wang and Wang (2006a, 2006b); and (d) evaluating policies, implementation processes, and outcomes.

National policies are governments' responses to complex and dynamic economic systems, and they do not happen in isolation (Moros, 2005). It is critical for HRD researchers to understand the national history, the cultural and socioeconomic contexts, and the other critical system components. The task in this area should be, among other things, to identify policy strengths and weaknesses in HRD-related areas, including the implementation process, the environmental constraints, and the policy outcome assessment. In many cases, through comparative policy analysis, researchers may derive transferable policy models to be used in other countries with similar socioeconomic contexts or transitional features, as the study of the Singapore case (Kuruville et al., 2002).

Conducting HRD policy studies in developing countries may appear to be difficult in the initial stage because many countries have not formulated specific policies for HRD. Given the system complexities, national policies on HRD and related areas are often embedded in the economic development policies. This is evidenced in a recent study on China management development policies by J. Wang and Wang (2006a). It is necessary for HRD researchers to have a basic understanding of major theories and models of development economics underlying current development policies, especially the ones related to HRD, while taking a system approach. Given the impact of economics on the

policy makers and direct involvement of many economists in such policy formulation, knowledge of such foundational theories provides a base for communicating policy analysis results and also proposing HRD-specific new policy recommendations. For this purpose, new studies should be based on previous ones, and new theoretical development should consider all existing accepted theories. These premises should be implicit assumptions and common rules that all theory building-minded scholars accept.

In sum, it is not important whether or not to label current studies as NHRD and create a paradigm. The issue for IIRD professionals to consider is what distinctive value the policy-related studies and practices can add to the existing international development literature and practical efforts in different countries and how HRD, as a discipline and a component of a larger system, can make a contribution by partnering with different stakeholders already involved in the development communities.

Implications for HRD Theory Development Inquiry

This study has revealed challenges facing NHRD scholars in terms of the theory development journey—from definitions to theoretical foundations of economics and system theories. The weak inquiry methods reported in the NHRD literature may simply be a reflection of the “youth” of these efforts. This study also implies that it is detrimental for a new research idea to move ahead too quickly without a firm base to its foundational theory. The “loose” approach in the NHRD literature may be influenced and complicated by those arguing that HRD has no singular identity and that there should be no single lens through which to view it (see McGoldrick, Stewart, & Watson, 2001). In fact, the NHRD literature has explicitly cited this argument to justify the idea of NHRD (see Lynham & Cunningham, 2006). This argument appears to be misleading, as it has ignored the efforts of those who were seriously engaged in HRD theory development research (e.g., Lynham, 2002; Swanson, 2001, 2007; Torraco, 2005).

Essentially, our argument focuses on two separate, but closely related, theory development components. The first is the research domain or the HRD “identity” issue. Strictly speaking, “no singular identity” does not mean any identity or no identity at all. As a discipline, HRD differentiates itself from all other social sciences. The multiple identities can be reflected at individual, organization, and national policy levels and at the same time not be related to early childhood education or drunk-driving behaviors (although these clearly appear to be related to HD issues). The second component is the research method or the “lens” issue. “No single lens” does not mean any lens can serve the purpose of theory building. The four propositions presented in this study imply that the current lens used by the NHRD literature to view national HRD policy is at least problematic or out of focus. The NHRD literature provided an example of the maturation journey through which HRD is going. Presenting HRD as HD is to lose HRD’s identity, although it may appear to advance a

multiple identity of HRD as presented in the NHRD literature. The no-singular-identity argument by McGoldrick et al. (2001) cannot be used as an excuse to tear down the boundaries of the HRD discipline.

A second implication can be derived from another foundation of HRD—systems theory. Although economics has not explicitly defined systems theory as its foundation, previous reviews of the economics literature have demonstrated that systems thinking is deeply imbedded in all development theories, especially the vicious circles. Ironically, HRD as a field has explicitly identified systems theory as its foundation (Swanson, 2001) but has not applied it in exploring the new idea of NHRD. Overemphasizing any single field in the development process would be no more fruitful than the “blind describing an elephant” analogy. The lenses used to view HRD and its identity should be firmly based on the core foundational theories of the HRD discipline and on established theory development requirements and logic. Otherwise, a distorted identity of the field will likely result, as has been presented in the present NHRD literature.

Directly related, the next implication for HRD theory development research is that HRD may consider economics as not only a theoretical foundation but also a methodological foundation. This study has illustrated, through comparison of the H-M study and NHRD research, that methods in economic studies were foundational to guide HRD theory research development process. The power of theory should be in its ability to explain and describe the “forest” while considering the diversity of each individual “tree.” Economic methods have consistently demonstrated such power in theory development research for almost a century. Although similar research approaches and methods may be found in most established fields of social sciences, economics, at both micro and macro levels, has many areas parallel to HRD research. NHRD literature and the findings presented in this study clearly demonstrate this point.

Conclusion

Based on a focused literature review of economic theories and related literature, this study analyzed the idea of NHRD. The study concluded that starting from the definition of HRD, the NHRD literature followed a problematic theory development approach and presented an inaccurate identity of HRD and NHRD. More importantly, the NHRD literature is not based on the foundations of economics and systems theory. These conclusions were supported through the presentation of the contextual background on economic studies and the four resulting propositions. This study has implications for future directions of NHRD research and practice and for overall HRD theory development research.

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