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## **Economic Importance of Human Development in Egypt**

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**Received:** 07 August 2021

**Accepted:** 20 Sept. 2021

**Published:** 30 Sept. 2021

### **ABSTRACT**

The study conspicuously aimed to identify the concept of human development and how to manage human resources, as well as to monitor the most important objectives of modern human resources management and its functions and the effects of human resources management on competitive advantage. This is in addition to the basic issues that confront management in the field of human management in order to transform the population increase from being a burden on the shoulders of the state into an economic resource that is more important than other material resources. Besides, the study dealt with the importance of human resource development, as well as the difficulties encountered in resource development, and the challenges facing human development, especially in developing countries. It also pushes the development train and the need to benefit from the experiences of international institutions in the educational, economic and social sectors in Egypt, as well as the following: 1- Paying attention to small industries and their financing and conducting workshops to increase their efficiency. 2- Paying attention to human resources management, especially government agencies. 3- Determining work needs to reduce disguised unemployment. 4- Paying attention to education and curricula since the early stages, with interest in building the child's personality, identifying his tendencies and trying to develop them. 5- Paying attention to giving training courses to the workers and seeking help of the experienced to train the youth. Focusing on the importance and role of human resources as a powerful competitive weapon in light of the fierce global competition has made leaders, managers and business owners change their view of human resources in organizations from mere users to partners, and view them as strategic and important assets that are more valuable than other capital assets in business organizations.

**Keywords:** Human development, approaches to human resource development, competitive advantage of the institution, challenges of human development.

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### **Introduction**

Human resource development is conspicuously defined as the preparation of human elements in the correct manner that is consistent with the special needs of society. Besides, increasing human capacity and knowledge helps to increase the utilizing of natural resources. Moreover, human resource development is defined as increasing capacities, skills and special knowledge of the workforce that has the ability to work in various fields.

Additionally human development is conspicuously one of the most important resources that must be taken care of, especially in developing countries that suffer from a lack of natural resources and a large population increases because it is one of the most important ways to advance the state. Achieving the economic efficiency of organizations and bodies depends on how to benefit from the human element. Human resources management briefly means the optimal use of the available human element (i.e., in the concept of economic efficiency, it means that the institution obtains the same production with a lesser amount of its workforce or a higher production with the same amount of employment). It

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is expected that the efficiency of the organization and its success in achieving its goals depend on the efficiency, capabilities and expertise of this human element and its enthusiasm for work. This is in addition to developing foundations and principles that help to make the most of each individual in the organization through human resource management. These foundations start from planning, selection, training, incentives, evaluation and all of it has nothing to do with the human element.

### **Problem of the Study**

Developing countries in general, led by Egypt, face serious demographic challenges due to the high life span of humans. World Bank experts predict that by 2030, 16 percent of the world's population will be over sixty. Consequently, the situation is exacerbated by the lack of good management of human resources, which causes a waste of human resources, which are more important than all other material resources.

### **Objective of the Study**

The study conspicuously aims to identify the concept of human development and how to manage human resources. This is in addition to monitoring the most important objectives of modern human resources management and its functions and the effects of human resources management on competitive advantage, as well as the basic issues that encounter management in the field of human management in order to transform population growth from being a burden on the state into an economic resource that is more important than other material resources.

### **The Importance of Human Resource Development**

The objective of human resource development is to increase the culture of the individual, and the development of his principles and values, in order to increase the ability to adapt to the environment that surrounds him. This contributes to increasing the importance of human resource development at the level of workers. Besides, working on the concept of human resources development helps to achieve many benefits for individuals, including providing the appropriate atmosphere to work in order to increase the production of the individual and work to bring out the forces that push individuals to achieve themselves. This is in addition to helping to satisfy the basic needs of individuals and make them want to find jobs that challenge their abilities and knowing their individual differences. Moreover, this helps to take advantage of that matter in completing tasks through assignments that commensurate with those differences. Consequently, this helps to increase their capabilities and their desire to assume responsibilities. At the enterprise level: the success of human resource development in one part of the organization helps to apply it to the rest of the other parts. It also helps to increase the effectiveness of the organization and its ability to face the competition around it.

Human development has developed and become one of the most important administrative functions in modern institutions. There are many reasons that explain this development, including:

- The expansion and industrial development that took place in the modern era.
- Higher levels of education and the increase in opportunities for general culture in front of workers, which led to a change in the characteristics of the workforce, and today's worker has become more aware.
- The high cost of humanitarian work, where wages represent a high and increasing proportion of production costs in all organizations. Consequently, this necessitated attention to pressure labor cost and increase the productivity of workers through research, study and good management.

Approaches to Human Resource Development.

### **First: The Individual Approach**

In this approach, the focus is on the individual as a means for development within the institution. Therefore, this approach requires several things, including looking at the individual as the independent variable, while the institution is subordinate to him in the development process.

### **Second: The Organizational Approach**

This approach focuses in its philosophy on that the development process should focus on preparing the system for development to occur. Thus, this requires several requirements, including focusing on the functions specialized in organization, whether at the level of the institution or at the

level of departments and looking at individuals as a dependent variable, any change in the organization will lead to a change at the level of individuals. Therefore, the organization must allow innovation and development.

### **Third: The Collective Approach**

The philosophy of the collective approach is represented in several points, including not focusing on the individual only, as the group should focus more on the group.

### **Difficulties encountered in Human resource development**

- 1- Tendency towards globalization of markets.
- 2- Diversification of the human resource mix.
- 3- Tendency of institutions towards reduce.
- 4- -Re-engineering of operations in institutions.
- 5- Tendency towards decentralization.

### **Enterprise Competitive Advantage**

(Porter) defines the competitive advantage as follows: “it arises mainly from the value that an enterprise can create for its customers so that it can take the form of lower prices relative to the prices of competitors’ products of equal benefits, or take the form of unique benefits in the product that compensate widely price increase in it.

### **The Basic Dimensions of Competitive Advantage**

The basic dimensions of competitive advantage can be referred to as follows: After controlling the cost: It is related to the extent to which the institution is able to achieve the lowest possible costs compared to competition in the market without prejudice to a certain limit of the specifications required in the product.

### **Quality Dimension**

This dimension relates to the distinctive and unique functional and formal specifications and characteristics of the product, which must correspond to certain characteristics that respond to the customer's aspirations and gain his preference.

### **Time Competitive Dimension**

The dimension of time acquires a competitive character on more than one level, so that the institution at this level can achieve a competitive advantage focused on time and speed up the development processes as well as reducing the time of launching new products in the market.

### **Flexibility Dimension**

This dimension is concerned with the extent to which the institution, its operations, and its production system adapt to the volume, patterns and tastes of customers that are affected by changes in the business environment.

From what has been previously mentioned above, it is obviously clear that the resource perspective aims primarily to highlight the strategic resources of the institution, and to reveal what these resources can actually accomplish as sources of competitive advantage.

Resources can be categorized into three categories:

### **Material Capital Resources**

It relates to the various physical assets that the institution possesses, including different capital principles and equipment.

### **Human Capital Resources**

It is represented in the total of the institution’s users and its administrative staff, and the associated skills, capabilities, experiences, trends and various relationships.

### **Organizational Capital Resources**

It is concerned with the organizational structure of the institution and its various organizational procedures and policies. This is in addition to the organizations that link the organization to its surroundings in its external environment of bodies and organizations.

### **Objectives of Modern Management of Human Resources**

The objectives of human resource management can be summarized as follows:

- Achieving effective cooperation between workers to achieve the project's objectives.
- Finding an incentive for the workforce to make the maximum effort possible to achieve the project's objectives.
- Developing good relations at work between all members of the organization.
- Achieving justice and equal opportunities for all project workers in terms of promotion, wages, training and development.
- Providing suitable working conditions that ensure a suitable atmosphere for production and not exposing workers to any risks such as industrial work accidents and occupational diseases.
- Choosing the most efficient people to fill the vacant positions and preparing and training them to do their jobs in the required manner.
- Taking care of workers and providing them with social, cultural and scientific services
- Training and developing the workforce in order to raise their productive efficiency so that those workforce can achieve the desired goal of the facility in the least possible time and at the lowest possible cost.
- Determining work requirements such as preparation and type of workforce required so that the facility can define its programs and reach its goals and results of its work

### **Challenges facing human development, especially in developing countries**

The Human Resources Department has expanded its activity and has become beyond its traditional functions. One of the reasons for this expansion is that today's work environments have become more complex and more diversified in the workforce, which includes several dimensions such as gender, religion, abilities and age. This represents one of the challenges facing the Director of Human Resources Department today. This is in addition to changing laws and government regulations, structural changes in the institution as well as technological and administrative changes, which can be summarized as follows:

#### **- Work Force Diversity**

Multinational companies and the increasing phenomenon of globalization.

#### **- Changes in Regulations**

As the government's tendency towards developing work regulations and occupational safety and security procedures, providing minimum wages, insurances and pensions.

#### **- Structural Changes in the Organization**

#### **- Technological and Administrative Changes in the Organization**

In the recent period, there have been technological and administrative trends that have further empowered workers, which means shifting to decentralization by giving subordinates the power of decision-making.

#### **- Managing Human Resources in the Future**

The human resources department must be a participant in setting the organization's strategy and policies. Besides, there are statistics that a large percentage of human resources managers have become members of the board of directors and even become deputy heads of companies.

### **Study Recommendations on How to Benefit from the Population Increase in Egypt**

From what has been previously mentioned above, the importance of the human resource in bringing about human development and the advancement of state institutions is obviously clear. Thus, it is the cornerstone of comprehensive economic development. Therefore, transforming the population

increase into an important economic resource pushes the development train and the need to benefit from the experiences of international institutions in the educational, economic and social sectors in Egypt as well as the following:

- 1- Paying attention to small industries and their financing and conducting workshops to increase their efficiency.
- 2- Paying attention to human resources management, especially government agencies.
- 3- Determining work needs to reduce disguised unemployment.
- 4- Paying attention to education and curricula since the early stages, with interest in building the child's personality, identifying his tendencies and trying to develop them.
- 5- Paying attention to giving training courses to the workers and seeking help of the experienced to train the youth.
- 6- Identifying how to adapt to innovations and technology, for example, but not limited to the interest in small industries in the field of agriculture, which can compensate for surplus labor when using modern technology and machinery.

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