Innovative Higher Education and Human Capital Development

By Nour-eddine Labiad

As the economic crisis continues to affect societies at all levels, especially high youth unemployment rates, the question of effective and efficient human capital (HC) formation and development has become more significant than ever at both the macro and micro levels. The quality of human capital, shaped by higher education institutions, impacts considerably personal, organizational, and societal development, and it is a vital ingredient to put economies back on track. As the main producers of human capital in societies, educational institutions with their varying levels—from primary to university education—hold heavy responsibility on their shoulders; such responsibility raises the bar of performance of universities. In spite of the revolution of mass higher education, still a lot is yet to be accomplished.

It is said that “education builds human capital the way fertilizer grows plants”\(^1\). It’s definitely true but if a person receives quality education. Education, in general, is a mechanism where most of the workforce creating economic value spends many years. This many-year investment must be worthwhile for the person and for economy. Education, training remain key elements in the formation and optimization of human capital for labour market in order to achieve the high performance, productivity, and the best growth possible\(^2\). In a technologically dominated age, traditional means of forming human capital prove to be inefficient at the larger scale and innovation is the key to excellence and quality of university graduates. Successful academic institutions with innovative leadership, faculty, students, and staff, and educational programs are the ones that graduate students with high quality learning and skills. For example, ADAPT and the University of Bergamo’s doctoral program in Human Capital Formation and Labour Relations is innovative in the following ways: diverse teaching methodologies (face-to-face and online); students gaining work experience while pursuing their doctorate; diverse teaching staff that includes faculty, industry professionals, and experts...etc.). Nowadays, economies are very competitive and there is a sharp competitiveness for talented and innovative university alumni.

Human capital comprises a set of elements such as knowledge\(^3\), Skills\(^4\), interpersonal competencies, problem solving, innovation, critical thinking, and “innate abilities, behaviors, personal energy, and time”\(^5\). These are but some of the most crucial skills and competencies that employers are looking for in new university graduates. The quality of learning and skill acquisition differs from an institution to another depending on how innovative its curricula are and the extent to which an institution pursues quality assurance mainly through evaluating its programs, seeking accreditation, and assessing the learning outcomes of its students. These activities allow universities to assess the quality of learning of its students at the same time to design and implement new programs that meet the labour market in terms of specific human capital needs. One of the crucial profiles that distinguish human capital is diversified v. specialized\(^6\). While specialized human capital is focused on one field or one area of study or expertise, diversified HC is broader and cuts across disciplines such as liberal arts and hard sciences and the skills acquired are various.
Obviously, the latter profile is what employers search when hiring; a diversified profile comprises of knowledge and skills that can be adapted to different jobs within the organization.

Innovation is a key component of a high quality HC, and it is highly valued by employers. On April 10, the Association of American Colleges and Universities released a survey\textsuperscript{vii} under the theme of: ‘It takes more than a major: Employer priorities for college learning and student success,’ and the top result of the survey, completed by 300 companies and organizations in the USA, is that “nearly all employers surveyed (95%) say they give hiring preference to college graduates with skills that will enable them to contribute to innovation in the workplace.” Major companies such as Facebook and Google have prospered thanks to the innovation that was brought in by its innovative employees. Innovation characterizes all aspects of these companies, including their management, structure, products, and services. The survey adds that “more than nine in ten agree that ‘innovation is essential’ to their organization’s continued success.”\textsuperscript{viii} Therefore, academic institutions need to work on equipping their students with skills that can be utilized in work place innovatively.

The survey mentioned above points out to academic institutions awareness of the pressing need for improving the quality of human capital they form through high-quality learning and meeting employers’ needs. This is an excellent step towards smoother, efficient, and effective education-to-employment transition that will help decrease, especially, high youth unemployment rates and improve the performance of economies.

\textit{Nour-eddine Labiad}

ADAPT Research Fellow,  
International Doctoral School in Human Capital Formation and Labour Relations  
ADAPT-CQIA-University of Bergamo

\textsuperscript{7} For more information on the survey, see: \url{http://www.aacu.org/leap/documents/2013_EmployerSurvey.pdf}
\textsuperscript{8} \url{http://www.aacu.org/leap/documents/2013_EmployerSurvey.pdf}