THE ROLE OF ROBERT SOLOW'S THEORIES IN HUMAN RESOURCES MANAGEMENT IN THE ERA OF GLOBALIZATION

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Human Resource Management (HRM) and such notion as an economic growth are closely linked. Human capital cannot be neglected in the process of development activity. HRM is a field of knowledge and practical activity aimed at providing an organization with quality personnel. The relationship between human resource and economic development has been widely recognized at all level. As for example, the Solow Economic Growth Model is a well-known economic growth model that can be considered as one of the models that emphasizes the role of capital, including human capital. According to the Solow model, advanced countries have more incomes for the reason that they invest more and the population growth rate is lower [1].

This model states that the high proportion of savings and increases in labor supply are among the factors that can lead to further growth in a state of technological stability. The aim of this paper has been to understand the two-way linkages between human development and economic growth, accounting for the fact that human resource management is likely to be not just an end product of growth, but an input as well and a key [2].

This approach can, with consideration of the input of human capital in the pattern, explain the significant part of the observed differences in income levels among countries.

New growth theories were introduced by Rammer and Lucas in the late 1980s with the introduction of knowledge-based economy and human capital. Lucas tried to consider human capital in place of the workforce in the Solow Growth Model and explain the differences observed in the growth of countries with this factor [3, 4]. He said his goal was to provide an alternate or complementary propulsion motor (Technical progress) in the Solow model that for this he introduced human capital into the Solow model. His style is largely based on the Solow method. In this model, two production functions are introduced that the production function of the item is as follows.

$$Y = AK^{a}(uhL)^{1-a} \qquad (1)$$

That in this formula (Y) is production of goods, (A) technology, (K) capital stock,(L) labor force,(u) is the time allocated to each person to the production, and (h) is the average skill of individuals. In this case, the production of goods is a function of physical capital, human capital, and technology. How to increase in human capital is also expressed using the production function below.

$$h = \varphi h(1-u) \qquad (2)$$

$$\frac{h}{h} = \varphi(1-u) \qquad (3)$$

In which, (1-u) is the time when a person doesn't work and earns a skill. The important point in this model is that the change in training hours can affect per capita production. Increasing hours of training, on the one hand, increases individual skills and increases per capita production, and on the other hands, it reduces the time devoted to product production and reduces per capita production and its effect on per capita production is vague [5].

Since HRM is the comprehensive set of practices for recruiting, managing, developing and optimizing the human resources of an organization that these upgrades are directly related to the human resources management tasks in the organization [6].

Today scientists are distinguishing national, transnational and global HR management. There are many issues to consider, including crossing boundaries of time, space, geography, and culture; economic issues; culture clash; working virtually; coping with increased bureaucracy; and exploitation issues were arising out of countries with fewer legal restrictions. Directions of further research will be directed at controlling this problem taking into account the importance of human capital and its role in economic growth.

Reference List:

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