



**Asia-Pacific
Economic Cooperation**

Strengthening Human Resource Management System of SMEs for Facilitating Successful Trade and Investment in APEC

Case Book

**APEC
HUMAN RESOURCES DEVELOPMENT WORKING GROUP
CAPACITY BUILDING NETWORK**

December 2012

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APEC#212-HR-03.1 ISBN 978-981-07-4884-5

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Foreword

In 2010, APEC Leaders set forth the Growth Strategy under the Yokohama Vision for further promoting regional growth and economic integration in the Asia-Pacific region. The steps included enhancing the participation of Small & Medium Enterprises (SMEs) in high-growth sectors and their access to global markets. The Leaders reaffirmed their commitment to realize further integration of the region and expansion of trade under the Honolulu declaration in 2011. To pursue these objectives, a stronger emphasis was placed on enhancing SMEs' ability to take advantage of trade opportunities and participate in global production chains.

In alignment with these initiatives, the project "Strengthening Human Resource Management System of SMEs for Facilitating Successful Trade and Investment in APEC" was proposed by Japan, and implemented by the Institute for International Studies and Training (IIST), under the supervision of the Ministry of Economy, Trade and Industry (METI). The project aims to build the management capacity of SMEs to enter global markets by strengthening their competitiveness through the effective and systematic management of Human Resource, one of the important assets of enterprises.

As the project overseer, I hereby gratefully acknowledge all the individuals who were involved in the project and made tremendous contribution to its successful completion. We hope that the outcomes of the project will support the APEC's primary goal of achieving regional prosperity via trade and investment liberalization.

Ruriko Kawaguchi
Project Overseer
APEC Office
Ministry of Economy, Trade and Industry

December 2012

(Please note that the term "economy" is used to indicate APEC members, instead of "country" or "nation," as an APEC-accepted nomenclature.)

Preface

Since the declaration of the Bogor Goals for achieving free and open trade and investment in the Asia-Pacific region in 1994, impressive progress has been made over the past 15 years in regional economic integration as well as in trade and investment liberalization. However, a number of impediments to open trade still remain, and new challenges have emerged as the region becomes more integrated and interdependent.

In order to address some of these emerging issues, a number of projects have been implemented under the APEC Human Resources Development Working Group Capacity Building Network (HRDWG-CBN)). To prepare SMEs for the changing environment and new challenges brought about by globalization and trade liberalization, the Network promotes human resource development by building the organizational capacity of the enterprise management and policy makers. To name a few, the projects, “Opportunities and Challenges for Foreign Investment in the APEC region” and “Strategic Intellectual Asset Management for Emerging Enterprises,” were implemented by the Institute for International Studies and Training (IIST), a non-profit, non-government organization, under the supervision of the Ministry of Economy, Trade and Industry (METI), Japan. Our initiatives were supported by APEC member economies.

This project entitled “Strengthening Human Resource Management System of SMEs for Facilitating Successful Trade and Investment in APEC” is one of our recent endeavors to build the capacity of SMEs in human resource management (HRM). Its objective is to raise SMEs’ awareness of human resources as a key intellectual asset for strengthening the competitive advantage of enterprises. The project also aims to help them establish effective HRM systems necessary for recruiting, developing and retaining a talented and highly motivated workforce.

The chosen approach for the project involved the following activities: an expert workshop that identified HRM capacity building needs of SMEs (April 2012); development of case studies focusing on actual business experiences (May-September 2012); and a pilot seminar to evaluate the program design and case materials developed (September 2012). All the activities were joined by the 12 APEC experts who wrote the cases and provided valuable inputs throughout all stages of project implementation.

I would like to take this opportunity to express my deep appreciation to all those who have contributed to the successful completion of the project.

I would like to extend my sincere gratitude to the tremendous cooperation made by Human Resources Development Service of Korea (HRD Korea) headed by Mr Young-Jung Song. HRD Korea co-organized the pilot seminar held from 24 September to 25 September 2012 in Seoul, Korea which was attended by 14 participants, including SME owners, representatives of large companies, public institutions and government agencies in the Korean community. The success of the pilot seminar is largely attributable to significant efforts and professional expertise extended by our colleagues at HRD Korea in organizing the seminar.

I am also grateful to the experts and their nominating organizations, as well as the case proponents in each economy, for their contribution in making the project such a success at various stages of implementation. My special recognition is given to Professor Buenaventura F. Canto and Ms Etsu Inaba, who led the project team by directing the

program design and delivery. Their painstaking advice throughout the case development process inspired the authors in developing and completing their cases. I also gratefully acknowledge Dr Gloria M. De Guzman who imparted her expertise in the program design and analysis of the project outcomes in the synthesis paper, and Ms Lorna Balina, who tirelessly went through and edited the cases for improvement. I am also truly thankful to the financial and technical support provided by the APEC Secretariat for the project. Lastly, I would like to extend my special thanks to my IIST team, led by Etsu Inaba and Reiko Toyoshima, for their dedication and hard work, from the planning and implementation to the successful completion of this undertaking.

This publication is a compilation of ten cases developed by the experts under the project. It showcases a variety of situations including different levels of development, different economic sectors and various cultural backgrounds. I hope that the cases and findings of the project will be widely utilized in the APEC region and will contribute to the further progress of regional integration and growth.

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December 2012

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