

Volume	4	Managing a Company
Chapter	03	Human Capital Management
Section	01	Overview Chapter 4.03: Human Capital Management
Key Word Tags	Management's Key Responsibility	

INTRODUCTION TO CHAPTER 4.03: HUMAN CAPITAL MANAGEMENT

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Quick Summary: Every manager in every organization is responsible for properly managing all employees.

Abstract:

Many organizations assert that their employees are their most important asset. Those companies that do not make this assertion need to rethink their priorities. Tending to the well-being of employees is not the responsibility of Human Resources departments. They play an essential role, but every manager needs to play a vital role in ensuring that companies follow Principle 2: Treat All individuals with Dignity and Respect or else Principle 1: Stay in Business, will not be achieved.

This chapter is not about the Personnel, Human Relations, or Human Resources Department. Instead, it is about the most important asset every organization possesses - its employees. They represent a bi-directional investment that neither the company nor the employee can ignore. Unlike most other “pieces” of capital, employees, individually and collectively, do not depreciate. In fact, they appreciate in terms of their own worth as well as to the worth and well-being of the company. This chapter and the next chapter (Employee Recognition) attempt to capture some subtler aspects of managing that precious resource: employees.

There are, of course, many very important, but more mechanical and administrative aspects regarding employees that are often handled by formal human resources departments and the professionals working in them. This chapter is, in no way, intended to diminish their essential role. However, effectively managing human capital within an organization is the responsibility of every manager at every level and requires the positive involvement of all employees at every level as well.

Below is a table summary of the five sections in this chapter and the 28 articles contained within those sections. As with all the articles in this entire collection, they can be read in any order.

Chapter Sections and Summaries

1. Morale

A company's culture is determined by the employees and their daily interaction. Those interactions are, in turn, a direct result of the behaviors they witness and are deemed acceptable by management.

2. Structure

Something as simple as an organization chart can have an impact on how employees view themselves and the overall company.

3. Communications

In study after study, the most common complaint registered by employees is the lack of effective communication and its impact on them while they try to do their jobs.

4. Recruiting

Employee turnover and growth are a reality in every organization. Too many details are left to chance or not effectively dealt with during this process.

5. New Employees

A new employee's experiences during the first hours and few days at the company can have a profound impact on their entire tenure with the company.

Chapter Articles and Summaries

Introduction to Chapter 4.04: Human Capital

Every manager in every organization is responsible for the proper management of all employees.

Employees' Points of View

Management must be aware of how employees judge the company's actions.

Three Words: Almost the Same But Different

Employee morale can be significantly impacted by what is considered to be acceptable behavior.

Be Human

Consciously take time to show employees that you care about them as people.

Be Friendly

As organizations grow, they can naturally become less friendly unless simple actions are taken.

Everyone is Important

Avoid actions or segmentation that can inadvertently divide the employee population.

Perceptions Are What Count

Other's perceptions, not company or management intentions, determine morale.

Org Chart Messages

Organization charts can easily send some inadvertent negative messages.

The Walls Speak

The use of walls or open spaces and other environment factors can have significant impacts.

Accountability

Company success is determined by the performance of individuals who must be held accountable.

Open Dialogue, Really?

Effective communications requires the sender to insure that the receiver hears and understands.

Issue Identification Exercise

Providing a non-threatening open environment to identify business impediments is easy.

Communicate Consistently and Regularly

Management must go out of their way to keep all employees informed of events as they occur.

Consistency Through FAQs

A written FAQs document dramatically helps insure what was heard aligns with what was said.

Are the Doors Really Open?

Open door policies only work if employees truly feel that managers are approachable.

Communications Effectiveness

Texting and emails may only be appropriate for certain types of communications. Be careful.

Emails: Disconnected Dialogue

Emails are convenient, but are often simplistic communication tools with negative consequences.

No Joke Jokes

Humor to some may be offensive to others; establish company norms accordingly.

Who to Hire

Thoroughly developing and documenting the expectations for a new hire are critical to success.

When to Hire

Often, if you wait to hire people when you need them it is too late. Plan accordingly.

Finding People

Referrals, internships, job boards, and retained searches need to be considered when recruiting.

The Big Day

Plan the candidate interview day considering the wants and needs of the candidate.

Recruiting the Family

Companies must understand that a candidate's loved ones will influence their decision.

Thunder in the Distance

There are advantages and pitfalls in recruiting individuals with vastly different work experiences.

The First Day

Carefully planning a new employee's first day's activities makes a lasting impression.

Check Early and Often

New employee managers need to provide special help and attention well past the first day.

Tame the Fire Hose

Ask newly hired employees to develop their own training material as they learn it.

Delay Setting Goals

Goals for new hires should only be established when the employee can meaningfully participate.