



A Call for Human Capital Expertise: The Competitive Advantage for the 21st Century

By Dr. Chance T. Eaton

In today's ever increasing competitive work environment, there are a variety of factors that contribute to success. Examples include optimal cost structure, enhanced customer experience, operational efficiencies, asset utilization and targeted customer marketing, to name just a few. The problem is that all of these strategies can, and will, eventually be replicated by competing firms. As a result, these factors carry less significance. In fact, I've never worked at a company where we didn't survey the environment and attempt to understand how our competitors create economic value, followed by replicating their strategies where useful.

People, on the other hand, cannot be replicated. When people are allowed to unleash their unique executing, influencing, relational and strategic talents, companies derive new and more effective strategies for efficiencies, customer experience, product/service innovation and teamwork. You must note that every successful strategy that has been initiated originated from someone's ability to generate new ideas and work with others to execute successful implementation and drive home results. Ultimately, people's unleashed talents are what drive economic value – not the strategies themselves.

As an example, I once worked at an organization that attempted to add new product and service lines to its business model. It was the owner's desire to look more like a full-service provider, but since there were no champions to strategically position the services, no champions to execute the services correctly and no champions to motivate the team members to get behind the new services, the entire full-service line failed. It wasn't the full-service-provider strategy that failed; it was the lack of human talent to make it work.

I also once worked with a company that had mimicked other successful companies by implementing enterprise risk management practices. The practices provided very little actual meaningful action until the right person was hired to manage the process. Even though the structure of the program remained the same, the talented manager drove the process in a creative and practical manner, resulting in an invaluable process for company strategic planning.

The point of both of these examples is that talented humans drive value and that human capital is the competitive advantage for the 21st century. Traditionally, we have looked to human resources (HR) departments to play a role in leveraging human capital. The problem is that HR departments are

skilled in managing processes and transactional functions, not in building and leading human capital. Examples of HR processes include providing oversight to recruitment, progressive discipline, policies/procedures, compensation and benefits, performance management and employee relations. HR plans, controls and organizes human resources processes, but what the marketplace also needs are professionals who understand the research, theory and practice of expanding the knowledge and effectiveness of people to accomplish organizational performance.

It is my recommendation that companies begin staffing and investing in employees who are human capital experts – people who understand human nature and know how to unleash human potential in the workplace. This new generation of human capital experts come from a variety of closely related fields, including organizational behavior, learning and development, industrial psychology, organizational development and education leadership. Experts in these fields typically carry master's or doctorate degrees. Though this recommendation may seem unnecessary for a survival mentality, it is crucial to bring out the best in your workforce if you are going to compete in the next century. The following is a checklist of what today's companies need in order to be competitive for the 21st century:

Education and training: People skilled in teaching and facilitation and in building content that bridges between scholarly research and direct application to the job. Further, people who can track outcomes derived from learning interventions, so as to ensure adequate return on investment.

Coaching: People skilled in performance coaching who can set clear goals with employees and use strength-based approaches to maximize employees' unique talents.

Counseling: People skilled in listening to employee challenges (personal and work), exploring common themes to their distress and helping them explore choices for better living.

Performance management: People who can apply validity and reliability strategies to performance measurement and create systems, education and coaching that allow employees to take accountability for their own personal performance.

Culture and climate: People who know how to develop and drive mission, vision and shared-values activities and implement these practices into the fabric of the organization. The ultimate goal for meaningful mission and vision work is that the true culture and

climate are expressed by the employees and for the employees.

Assessments and people analytics: People skilled in administering, analyzing and synthesizing different personality, behavioral and engagement assessments to help employees and work groups find greater effectiveness in how they get their work done.

Succession planning: People skilled in assessing the talent pipeline and building programs that can meet tomorrow's needs. These can include trainee programs and leadership development and executive development programs.

Strategic people planning: People skilled in dialogue, assessment and implementation of strength-weakness-opportunity-threats strategies, critical position reviews to identify high risk positions, high potential analysis to identify tomorrow's high performers and risk management to identify high impact and high probability challenges that will haunt a company tomorrow if action plans are not put in place.

Program administration: People who are skilled leaders that can bring it all together in a strategic way by communicating and implementing meaningful solutions. This can be one of the most challenging skill sets for a human capital expert. If they are heavy on the research side and poor at communicating the relevance and application, they will not connect with the company. If they are too heavy on the application side and do not understand the supporting research, they will not bring the necessary rigor to the proposed solutions.

Next-generation companies need next-generation employees. Since most employees are trained in their particular transactional tasks, companies need to invest in human capital experts who are fully aware of the rich human dynamic of the workplace and, more important, can implement strategies that bring out the best in their people. Invest in what is already your highest valued asset – your people.

Dr. Chance Eaton has over a decade's worth of experience working in the field of learning and organizational development. Due to his unique educational and work experiences in finance, psychology, leadership and management, education, noetic sciences and agriculture, Dr. Eaton provides his clients with relevant business solutions grounded in theory and research. To learn more about Dr. Eaton's services, visit HCSInter.com.

