



New Agenda for Human Capital Professionals

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Snapshot

Can we use the term 'Humanologist' for the Human Capital professional as we use such terms as cardiologist, urologist, psychologist, physicist, chemists and so on? The question may vex some or seem weird. Cardiologist, urologist, psychologist, physicist, chemists do not need definition for us to recognize who they are and what their profession is. Through the evolution of civilization these terminologies have given us a clear distinctive meaning and definition of work. Over the past century the profession dealing with 'human beings at work' has also evolved from Personnel to Human Resources to Human Capital Management. With these transitions the scope of work has also transited from mere 'hiring and firing' to development, maintenance and retention of the workforce aiming to create a strong productive force for the economic value addition for an organization. In the process, the HR professional has had to do the people management functions - staffing, compensation, benefits, communication, competence building & integration and so on, maintenance and retention of the work force being the nerve center of an HCM professional.

The increasingly critical nature of human problems and challenges in the more effective utilization of human resources has greatly elevated the status of the HCM professionals' field of work. Their function is dynamic especially with the growth of technology and the competitiveness amongst organizations. Changes do occur every second that the HCM professional is confronted with:

- changing mix of work force (male, female, handicap, minority, technical, etc);
- changing personal and cultural values of workforce;
- changing expectations of work force;
- changing levels of productivity for competitiveness;
- changing expectations of the employer;

- changing demands of law;
- changing demands of global economy.

The deliverables of these professionals are manifold apart from their traditional role of HR Manager. Let's make a comparison with other professions for our study here and see how HCM is a specialist profession. I will take the leverage of using the coinage 'Humanologist' instead of HCM Professionals for this purpose:

- Physicians treat, heal, cure physical health while Humanologist treat, heal, cure unskilled human beings.
- Attorneys deal with law while Humanologists apply and comply with law.
- Engineers build buildings and bridges while Humanologists build organizational behavior.
- Financial Controllers monitor economic performance while Humanologists monitor labor performance.
- Psychologists give psychotherapy while Humanologists provide employee competence development therapy.

A few years back, many organizations put HR in the second category profession and as such they paid lesser benefits than others. However, a transformation in their belief and understanding is being noticed in recent years. They maintained, unfortunately, a fallacious myth that 'anyone can do HR'. The fact is HR activities are based on theory and research; the impact of HR practices on business results is tremendous because they help translate work performance into financial performance.

What is the new agenda then for the HCM Professionals? The following are suggestive of the new agenda which may be viewed as 10 Commandments for HC Professionals:

1. HCM departments are not designed to assist the employers only; the HCM professional must create practices and procedures that make the employee more competent and competitive and make their life more comfortable.



2. The SOP they create is not to make employees happy but to help them become committed and skilled.
3. They must create value by increasing the intellectual capital within the organization.
4. They must optimize costs (not reduce cost) in order to add value to the organization.

5. Human resources is not full of fads, it has evolved over time. They must see current work process as a matter of evolutionary chain and strive for adaptation of newer technology.

6. HR and HC is HR professional's job; at times force vigorous debates on policies and procedures; at times be confrontative and challenging but inspiring and supportive.

7. They must understand organizational capability as an essential source of competitiveness.

8. Be authoritative but transit from policing to partnering.

9. They must transit from operational to strategic.

10. Be employee champion by providing resources for capacity building.

HCM should be judged by its future and not by its past. The future is wide open where the sky is the limit considering dynamism inherent in the Human Capital Management. As there are specialists in other branches of social science, the professionals of Human Capital Management are also a separate bunch of specialist professionals which is why I am tempted to use the terminology 'Humanologist'. (To be continued in the next issue: Changing Mix will follow)

Snapshot Two:

The idea of "Human Capital" though recently being discussed among academics and professionals is not entirely new. In some way it is similar to Karl Marx's concept of 'labor power'. In capitalism, workers sell their labor to receive income i.e. wages and salaries. He mentioned that workers must really work, employ his body and mind to receive income which is his prime objective. An example may be drawn here that in the days of serfdom, slaves' Human Capital could be sold to earn for his master, though the slave did not earn anything for him.

Labor power i.e. capacity to work is distinguished from activity of working. A freer worker, a novice cannot sell his human capital without having proper skills development and capacity building. He attains his skills to utilize those to produce a product but not sell his skills in the same way as an industrialist sells his produce and not his machinery or land. An employer's target is to earn profit from his business operations and the human capital produces that profit. A book entitled Human Capital published in 1964 by Gary Becker of Chicago School of Economics describes human capital as similar to physical means of production e.g. factories and machines. Therefore, one must invest in human capital providing education, training, and competence building in order to yield better production. The rate at which the labor productivity will increase is directly proportional to the amount of money spent for skills development and competence building. It is aptly said that Human Capital increases through education and experience. Human capital is sustainable but not saleable like land, machinery or fixed capital. These are soft skills that talents and geniuses make inseparable part of their person with which they cut an edge over other workforce. The skills in human capital, however, are transferable from one workman to another through training. The investor must invest in human capital as he invests in material capital.



Financial capital is tangible and is a parameter of development of a nation, whereas, human capital is intangible that contribute to the development of a nation's manpower; when there exists a steady human development, the qualitative and quantitative progress of a nation is inevitable. Herein lies the great agenda for HCM professionals - they are responsible for development of labor power and their maintenance and sustainability for an organization. They must blend the economic desire of an organization with that of human capital. In successfully doing so, they will be specialist "Humanologist" and not merely an HR Employee.

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