

MCA

ASSOCIATES PERFORMANCE ASSESSMENT DIVISION

PRE-EMPLOYMENT SCREENING AND POST-HIRE PERFORMANCE DEVELOPMENT

66 Derbyshire, Derby, CT 06418, 203-732-0603, 203-732-0191 (fax)

hcoleman@mcaassociates.com

In This Issue:

Human Capital Management In A Tough Economy

Are your hiring efforts being undermined by turnover?

Read the latest about “Human Capital Management” and avoid the hiring/training/turnover revolving door

Greetings!

❑ **Human Capital Management?**

Human Capital Management encompasses all the functions and responsibilities aimed at attracting, hiring, developing, and retaining the people resources essential to a company’s success.

The concept and value of human capital as a prime economic driver first gained wide recognition in 1964 through the publication of a book by Gary S. Becker, Nobel Laureate, aptly titled *HUMAN CAPITAL*.

Human capital has become widely recognized as the main resource for the creation of the “Knowledge Era” in which we all live and work.

❑ **Knowledge of Workers**

There is a growing pool of evidence that human capital in the form of the “knowledge of workers” **successfully retained** by an organization is essential to its continued profitability. For example, the massive human capital “cost saving” cuts during the economic recessions of the past 20 years have often not yielded long-term financial gain for the organizations that mandated them.

In the book, *GOOD TO GREAT – Why Some Companies Make The Leap...and Others Don’t*, author Jim Collins reveals the results

of a 5-year study showing a major part of the foundation of “great” companies is a respect for, and investment in, “great” human capital – to effect long-term success.

Current studies prove a strong correlation between human capital management and company value.

Many books and articles continue to be published on the subject of human capital management, as forward thinking companies actively discuss new metrics for measurement. As these discussions have progressed, new assessment applications have been rushed to market to capture key employment candidate/employee indicators while they promise new human capital competitive advantages for their customers.

We are moving full steam ahead into defining new parameters for human capital management – as well as – moving through what still is a tough economy. The two trends together spell “major challenge” for owners and business managers, as well as the knowledge workers themselves. Businesses are looking for answers to how they should implement reliable ways of attracting and retaining the right mix of human capital to assure success through a period of relentless change.

On the knowledge workers side, many qualified workers are still reeling from recent layoffs. Many have become skeptical of companies that can not demonstrate that they can deliver the benefits and opportunities they promise. Their focus is turning to fine-tuning their employment search processes, particularly as companies begin to compete for top talent to help secure their future success.

❑ **Strategies**

MCA

ASSOCIATES PERFORMANCE ASSESSMENT DIVISION

PRE-EMPLOYMENT SCREENING AND POST-HIRE PERFORMANCE DEVELOPMENT

66 Derbyshire, Derby, CT 06418, 203-732-0603, 203-732-0191 (fax)

hcoleman@mcaassociates.com

A tough economy moves human capital management strategies to the forefront for no other reason than cost and profitability. It has become more important than ever for companies to attract, hire, and retain top talent to avoid costly turnover (often conservatively estimated at 5 times an annual salary on average).

Some of the building blocks essential to a successful talent selection process include **clearly defined jobs***, **objective assessment tools****, and standardized hiring processes.

Internally, company leadership must be focused on **effective strategies** for the coaching and development needed to retain and maximize valuable human capital. Talented knowledge workers, who are independent and mobile, will research companies' practices in human capital management as an essential element of desirable employment in the future.

The time has arrived for businesses to seriously address the topic of excellence in human capital management. For companies who require assistance in creating effective human capital management strategies, many of the needed services may be outsourced to specialized professionals and consultants. Workplace forecasters all agree though, that the race for top human capital will continue with no end in sight.

Companies who succeed in hiring and retaining the best mix in human capital to guide and strengthen their businesses will have a competitive advantage that will be hard to beat.

* Contact me if you would like some

** additional information on how to **clearly define the job** and information on **professional assessment tools**

□ **MCA Associates – Who We Are**

MCA Associates, a management consulting firm since 1986, works primarily with small entrepreneurial to middle market clients. We counsel management on issues related to business process re-engineering, supply chain management, sales development and revenue generation, and organizational assessment and development. We provide value-added and continuous improvement solutions that result in measurable improvement in revenues, cost reduction, quality, and throughput.