

# Essay on hcs memo

[Business](#), [Strategy](#)



## **CC: Board of Directors**

### Introduction

Human capital is an economic measure of the value of an employee's set of skills and knowledge. The measure of human capital measure forms the basis of measuring labor input production in any organization. The human capital concept recognizes that labor is not uniform and that by investing in the employees, their quality will be improved. Characteristics of a good human capital include education levels, employee ability and talent as well as experience. For an organization to have an efficient work force, it has to adopt a human capital plan that suits the organization's human capital requirements.

Human capital strategy differs from traditional approaches to planning work force because it creates a vibrant internally generated job market, which spreads to all departments of an organization as well as outside the organization. With human capital strategy, an organization can use employee information to identify talent, quality and skill from employees to bring the best out of every person in the work force. On the other hand, traditional approaches only analyze the gap between demand and supply, and help in creating a plan that would address any future staffing requirements. The human capital strategy is more comprehensive and addresses both staffing needs and helps identify the best people to be at the correct place at the right moment while also maintaining the cost of human capital at a reasonable level (Fitz-Enz, 2009).

Efficiency in the human capital of the organization requires the organization to have a strategy that will ensure the firm meets its human capital requirements. Human capital strategies are important to the organization's objective of gaining competitive advantage. Strategies are like a guide map to success. The organization follows the strategic steps to mould its human capital towards efficiency and competitiveness. Human capital strategies differ from the traditional human capital approach in various ways. The traditional approach only focused on recruiting qualified individuals who had potential to succeed in the organization's set up.

However, a human capital strategy focuses on several aspects of human capital. It emphasizes on abilities, skills and knowledge of the employees. This encompasses all qualities of smart, hardworking and passionate employees. The strategy also covers areas like leadership, talent, culture and the organization's operating model. This makes it easy for the organization to search for human capital with right capabilities, attitude and promoting leadership skills of the employees. Furthermore, the culture of the organization is considered when carrying out recruitments. Therefore, a human capital strategy has a wider scope on employee qualities and is built around providing a platform for employees to improve their abilities in future. A human capital strategy is beneficial to an organization because it;

- a. Emphasizes on the knowledge, ability and skills of the human capital which are attributes of a competitive work force.
- b. Human capital strategies expound on the employees' ability by promoting leadership skills and talent of the human capital to suit the cultural model of the organization.

c. Strategies also help in creating competitive advantage by nurturing the talents and leadership qualities of junior employees to ensure continuity in future.

## **Elements**

An effective human capital plan comprises four main elements which must be adhered to if the strategy is to succeed. The four elements are;

- a. The strategic direction
- b. Goals of the plan
- c. Objectives or strategies of the human capital plan
- d. Implementation of the plan

## **Conclusion**

It is imperative that organizations adopt the human capital strategies because of flexibility and dynamism which they bring into an organization's human capital. They also ensure that the organization's employees are qualified professionals with appropriate skills and ability to tackle their duties effectively. More so, a human capital strategy promotes leadership and talent growth in the organization. This enhances employee attitude and morale in the organization while grooming future leaders who can embrace the organization's culture and traditions. Therefore, the human capital strategy should replace the outdated traditional workforce approach of planning. This is because it is comprehensive, flexible and yields far much positive results.

**Thank you for consideration to this issue,**

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