

Evolution of human resource to human capital: a strategic shift essay sample



The difference between “ Human Resources” and “ Human Capital” could be made on the basis of the simplest explanation from dictionary. “ Resources” have been defined as “ The total means available for economic and political development, such as mineral wealth, labour force and armaments. An available supply that can be drawn on when needed.

“ Capital” is defined as “ Any form of wealth employed or capable of being employed in the production of more wealth Capitals are spending on something now with the hopes of getting a return on investment later.

Organizations need to recognize that their investment in human capital can be the most important investment. When it comes to human capital, organizations that are investing in people will most likely be able to receive “ return” much more than financial gain. They may also gain knowledge, more productivity, increased happiness and security and a larger group of contacts and business networks.

In this competitive world marketplace, with ever fast changing business practices as never seen before, it has become crucial for Human Resource professionals to recognize the importance of investing in human capital. Even experts agree that it costs much less to retain an existing employee than to recruit a new one. As Time, money and effort are spent acquiring human capital and developing them. To make money in business, you must invest money in business. In the same way it is important invest capitals to keep quality employees on staff and motivate them to do their job well.

Although many industries, corporations and organizations claims that “ Their employees are their most valuable asset”, many “ do” little or nothing to

back-up this message. It is time of organizations to not only “ talk” but to “ walk the talk” as well. Investing in its employees should become a top priority for an organization. Organizations can do so by taking various initiatives such as by focus on improving employee services and technology to show employees that organization cares for them.

Organizations with the help of Human Resource Professionals can accumulate, maintain and increase human capital in many ways; like through education, job training, work experience, life experience, investment in health, etc. The significance of the contributions made by human beings, whether called human resources or human capital, reaches far beyond financial gains and productivity of the organization. The way an individual contribute is critical to the growth and advancement of any given society and to mankind, in general.