

Strategic Human Capital Management

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How HCM relates to other aspects of people management

Talent management

- Focuses specifically on key segments of the workforce
- Management of the most critical human capital

HR management

- Treats people as resources rather than a source of human capital
- Provides compliance not commitment

HCM / talent technology

- New integrated systems that focus on helping line managers rather than providing a system of record help HCM but do not change anything on their own

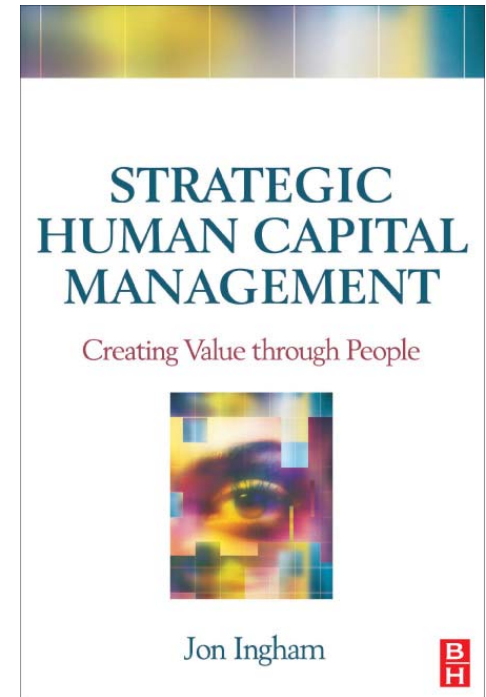
HR measurement

- Measurement is important but does not change anything on its own
- Many human capital measures are qualitative and subjective so HCM is not a decision science

What an HCM perspective involves

1. A focus on intangible 'organisational capability'

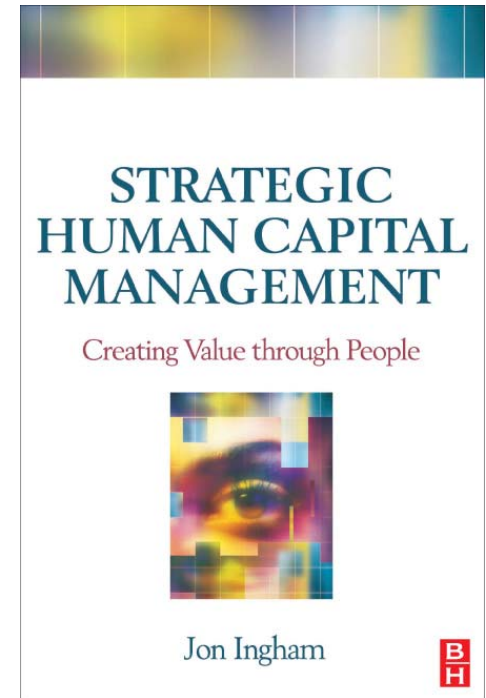
- Puts people at the centre of strategy development.
- Means that business strategy is informed by people management strategy as well as vice versa.
- Requires an understanding of complexity and the management of strategic and organisational dynamics.



What an HCM perspective involves

2. The development of an HCM strategy focused on creating human capital / organisational capability

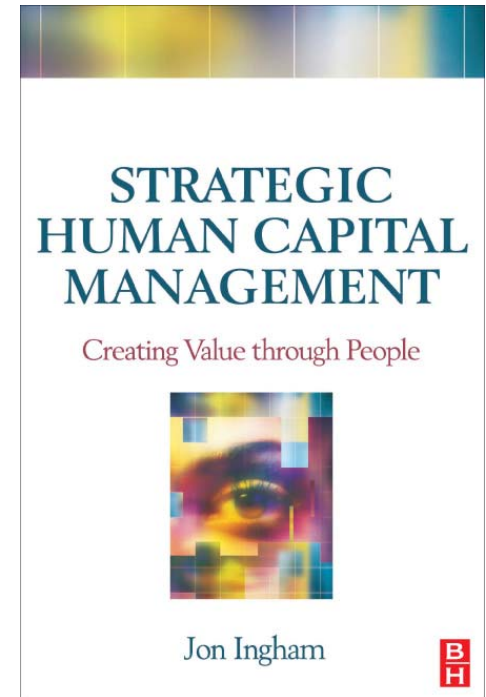
- Best fit HR processes according to the particular form of human capital required (innovation, efficiency, leadership etc).
- Personalised to support individual employees.
- Long-term, consistent programme management.



What an HCM perspective involves

3. Making HR accountable for human capital

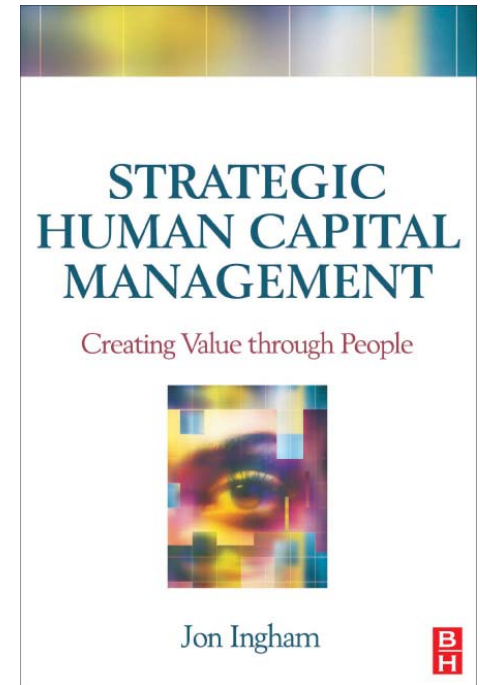
- HR cannot be held accountable for business outcomes or even the execution of HR processes by line managers.
- HR can be held accountable for ensuring the organisation has the human capital it needs to be successful over the longer-term.



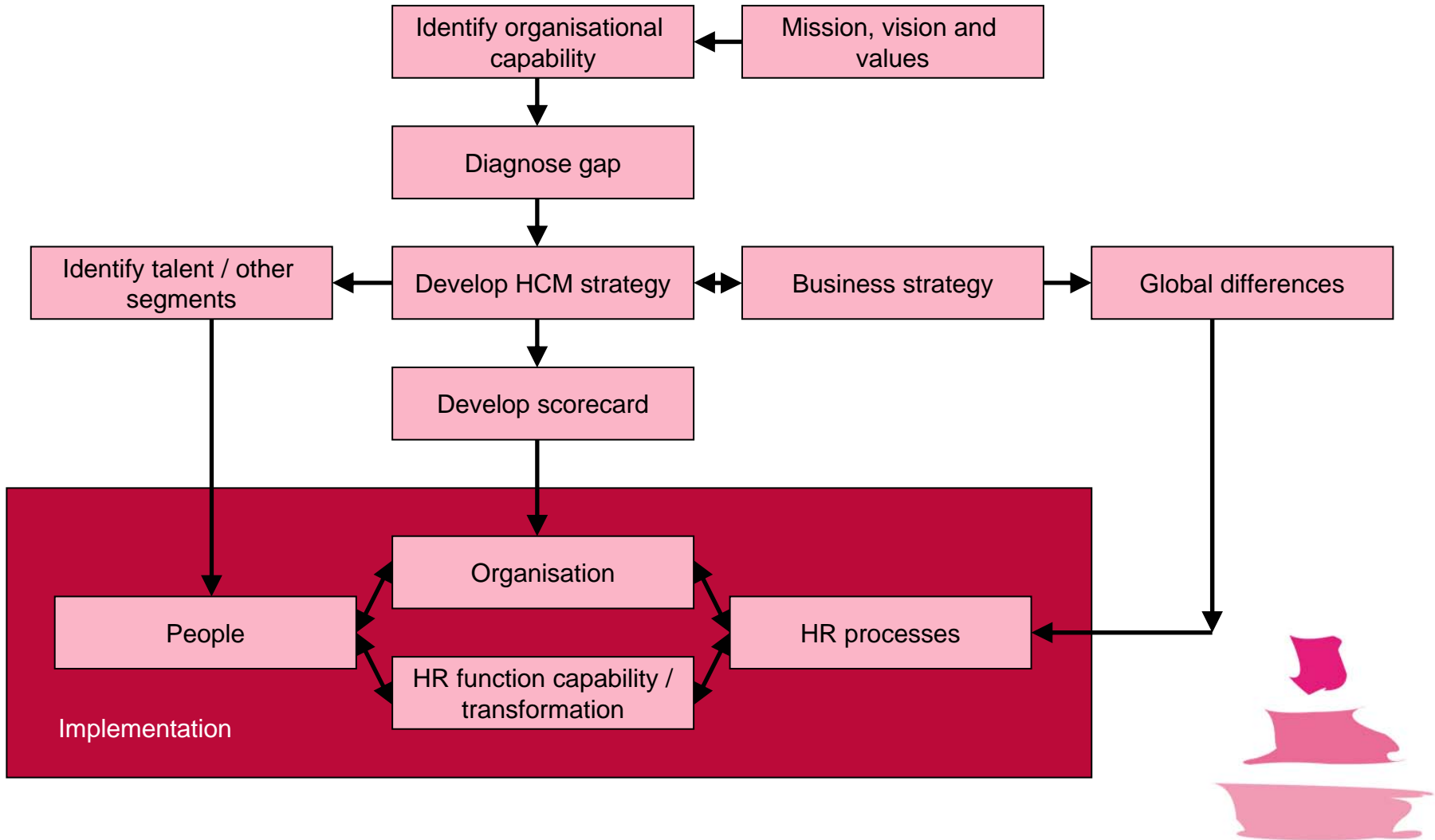
What an HCM perspective involves

4. The organisation speaks the language of people

- HR is comfortable with the language of business: finance, metrics and analysis, but does not shy away from using the language of people: meaning, emotions and stories.
- In fact, HR is proactive in educating the rest of the organisation to speak the language of people.



How to develop an HCM Strategy



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JON INGHAM'S STRATEGIC HUMAN CAPITAL MANAGEMENT (HCM) BLOG

STRATEGIC HUMAN CAPITAL MANAGEMENT (HCM) BLOG WELCOME

Thoughts on:

- human capital management (how organisations can create value through innovative people management), and;

- other related fields including HR measurement, talent management, HR function capability etc.

