

# HUMAN CAPITAL? PRICELESS!

*“An effective organization is a living thing...an organization is its people. People breathe life, purpose and energy into an organization. An organization has a manner, spirit, tempo, nature, and character. It has moods, joys, fears and sorrow. Most important of all, an effective organization has a purpose that is shared by all its members and to which they willingly commit their efforts. People working together can do almost anything.” ~ James L. Hayes*



## ***What is the value of human capital?***

First of all, did you know you have human capital? Do you ever think about how important the human capital asset is to your company? Truly, everyone should agree you

cannot put a price tag on your human capital. It is essential that you provide your employees with accruing interest in the success of your company. In many organizations today, employees feel less important, and perceive they have nothing to gain from the prosperity and success of the firm. Do you feel bonuses; ESOP, 401K plans, and other incentives should be a part of every business strategy? The appropriate answer should be yes. When employees have discernible reasons to work harder, they are more likely to share your eagerness and desire for the company to succeed now and well into the future. It is astonishing to witness the effort, enthusiasm, and intensity people are willing to contribute when they share risk in the results.

***Do your employees like working for you?*** Of course you know in order to retain great employees you must compensate them with competitive earnings, but owners and management should offer employees other incentives over and above compensation to work hard and give back to the business. Employees should enjoy what they're doing. Try creating a friendly, fun and caring atmosphere at work and consider offering special benefits for all your employees. Everyone wants to feel important regardless of his or her position and sometimes a little perk

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can create an incredible atmosphere of warmth and friendliness. Why not consider casual days, birthday cakes, family days, employee cookouts (where management cooks and serves the employees), employee of the month, pet days, surprise bonuses, pizza parties, or special days off. Do something different at work to make your employees feel like they are part of a company that really does care about them. Creating an atmosphere of caring isn't confined just to internal perks. Consider sponsoring local community events, send employees back for continuing education, seminars, or industry events and if you recognize the families of your employees, it will come back to you ten fold. These extra touches will create a positive working atmosphere that will have you and the rest of your team looking forward to coming to work every day.

***Empowering employees:*** An important part of managing your business is giving empowerment to responsible individuals at your company. Empowering employees with significant responsibility not only makes them feel important, but also frees up time so you can focus on growing the business. Consider utilizing your employees to the best and highest levels of their ability. Mentor and encourage employees to expand their horizons and learn about

different aspects of the company. Advise them to choose goals that will advance their professional abilities, which will make a significant and positive impact on the company. Recognize and reward your employees for doing well, providing an idea for a project, or working longer hours to finish particular projects. Recognizing the efforts of your employees is an important part of creating a strong bond of respect and communication. Often times it can be extremely difficult to delegate certain tasks that you have always performed. Being a manager means believing in your people, delegating responsibility and offering empowerment to those most interested in stepping-up, thus allowing you to spend more time on the critical areas of the business. You will be surprised how releasing operational and financial aspects of the business will allow you to focus on future goals, initiatives and opportunities in the marketplace from a more strategic sense.

***Communication creates a translucent organization:*** Keep your employees in the loop with open lines of communication and encourage them to come up with new ideas and suggestions, even on topics not directly related to what they are doing. Successful, growing companies should not have employees who feel

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like they're in the dark about important company information. If allowed these feelings can breed mistrust and discontentment, and may even cause some individuals to leave the company. Keep your employees feeling like they are an integral part of the team by actively communicating with them. Encourage them to take their skills to the next level, by giving them meaningful responsibilities within the organization, and letting them know they are important to the company and you personally.

***Incentive compensation plans and benefits:*** There are many different types of incentive programs and benefit packages that you can make available to your employees. Offering a comprehensive medical benefits package is extremely helpful when hiring professional and skilled workers. Unless you have part-time employees, your staff will want a medical benefits plan. Offering tuition reimbursement programs will also encourage your employees to expand their knowledge with continuing education courses and advanced degrees. Consider encouraging your employees to take management, financial, or computer literacy courses, which will add value to your company as well as your image in the community. Stock options can be especially helpful when trying to hire an individual whose current base

salary you may not be able to match. Future value of stock options may often be enough to attract quality individuals into coming on board. If you are a privately held company, you may want to consider a Phantom stock option instead of ownership equities. Bonus plans are another excellent way to reward employees for their reliable work. Develop a bonus strategy, structure and plan which clearly explains to your employees the basis for attaining their bonus. It's always a good idea to attach bonuses to individual goal attainment as well as profitable company performance.

***What is marketing? Marketing is everything!*** It begins with the person who answers the phone or who first interfaces with clients, prospective customers or individuals that have interest in the products and services your company offers. Marketing is the image your employee's will project in the products and/or services they/you provide, as well as with the quality and integrity with which they provide them. There is nothing that will loose and cost you a customer faster than an obviously unhappy, under appreciated employee, from the detail and accuracy of their work, to the order and cleanliness of their equipment and work site. I guess you could say there is nothing that does not touch marketing. ***Marketing is everything!***

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**What a concept:** An essential part of the success in your company is to build and develop an organizational team that works well together. Search, placement and recruitment of individuals with properly assessed traits, characteristics, qualifications, experience, personalities, skills and culture match that best fit your vision and mission is the most important part of your organizations development. It is imperative that you create a stimulating atmosphere, which encourages your people (human capital) to work together as a team. Additionally you must provide strong leadership and guidance for these are all essential parts of building your award winning team.



You have our best wishes and regards for continued success.

*John C. Colson, President*