

3 Benefits of Effective Human Capital Management

People Are Your Biggest Investment



We believe employees are a capital asset, not a disposable resource.

Small business owners have to keep a constant eye on their bottom line and proactively find ways to make business as usual more cost effective. In the past, the focus of a business owner was on investing in the efficiency of HR administrative tasks like filing the correct employee paperwork, managing payroll, providing a healthcare plan, and putting the right posters up on the walls.

Lately, the focal point has been around investing in *people*—also known as **Human Capital Management (HCM)**. This means that business owners and HR personnel are being asked to do more than push paperwork, and engage in more human-centric work activities like: recruitment, onboarding, training, and taking care of employees before, during, and after the hiring process.

What's the difference between HR & HCM?

If you think of HCM as HR with the human element added, that will help save on any confusion. In other words, we're not talking about getting rid of administrative tasks, we're talking about enhancing those tasks while investing in the human element of your company. Here are some of the benefits of effective Human Capital Management:



BENEFIT 1

Supports your employees for the long run

It's important to make onboarding as smooth as possible for new hires – but it's just as important not to neglect long time employees that have been loyal to your company. Any HCM tool that streamlines onboarding, supports employees continually, and improves the quality of work for the employees is worth the investment.



Training on workplace culture and the vision and mission of your company is so important in Human Capital Management. New hires should be introduced to this information on day one. They should also have a clear picture of how their role within the company supports the vision and mission. Your long-term employees should continually set the example for workplace culture.

A good benefits package is also a large part of HCM. Providing quality benefits that support your employees and their families will help you retain top talent and compete with larger corporations.



BENEFIT 2 **Plays well with others**

HCM tools and technology will be your secret weapon in creating a good company culture. Effective HCM means that you have a certain amount of workplace transparency; this includes informing employees of everything that will directly or indirectly affect them – from computer upgrades to layoffs. It's important that you communicate what's on the horizon, how the company plans to deal with it, and the aftermath of any transition.

Good HCM means choosing an effective communication style when talking with members of your staff. Know whether you're dealing with an intellectual employee who's data driven or a worker who has an emotionally based communication style. Human investment also means finding ways to convey your performance expectations to each and every member of your team. Hold them accountable with constructive feedback or reward a job well done.



BENEFIT 3 **Provides A Return On Investment**

As you keep an eye on your total cost of ownership, the worry and danger with implementing a more robust HCM model is that it will have too many moving parts and it'll be costly to execute. Actually, the reverse is true. You can't afford NOT to invest in your family of employees. They are the driving force behind the success of your business.



= *Administrative HR + Human Investment*

Administrative-HR morphed into Human centered-HCM, who knows what HCM will morph into. Good HCM tools do two things, they simplify HR tasks, while allowing small business owners to invest in their people and set them up for success.

We have ways to make your HCM implementation easy.

Contact us at <http://www.myaliat.com/contact> to learn more.