

# THE HUMAN CAPITAL LIFE CYCLE:

## Strategically Managing Talent and Training

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**F**or organizations, a theme resulting from the economic downturn is the emergence of new talent pools as some industries downsize while others grow. As a consequence, training becomes a critical focus to ensure that new employees start with the skills necessary to achieve both personal and organizational success.

Human capital management and training unquestionably remain a significant business issue—and there are ways to apply a systematic, comprehensive approach to connect an organization's overall strategy with plans for training, finding, retaining and advancing the right people. This happens through the six stages of the employee life cycle.

# IT'S NOT ONLY ABOUT FINDING RELEVANT TOPICS BUT ALSO TEACHING HOW THE LEARNING WILL BE APPLIED



The trainer's role is to make sure that he or she knows an organization's overall business strategy so that they teach a curriculum that directly supports the desired outcome. That is, training must support the core strategy of an organization.

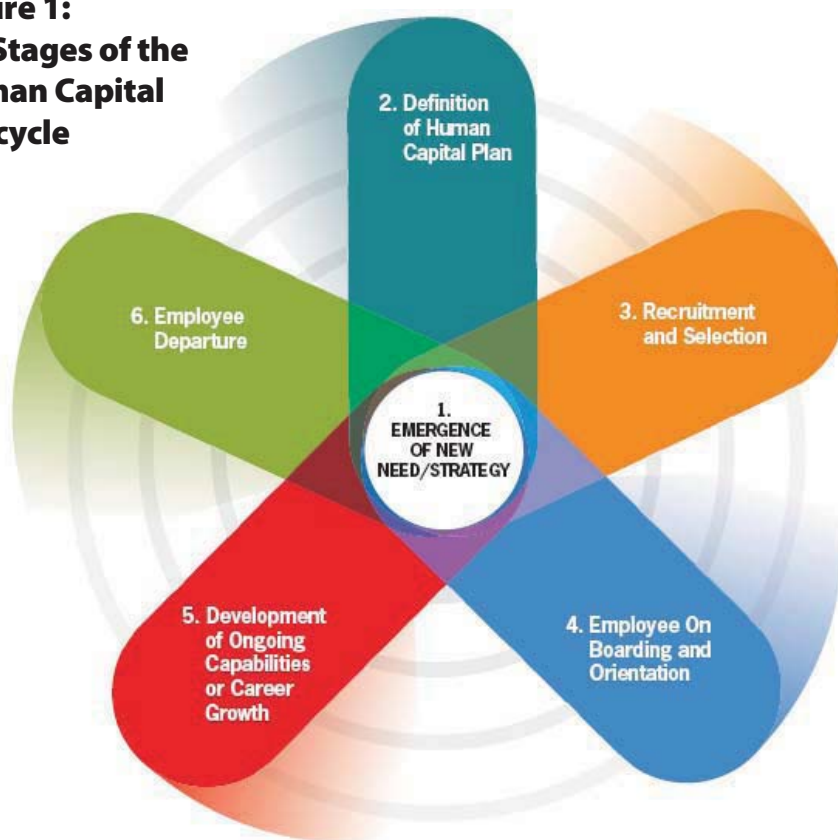
The Human Capital Lifecycle—the phases an employee experiences from the recruitment process through departure—connects all facets of human capital management, and provides a practical, systemic and dynamic approach tied to the needs of the business and its customers.

It consists of the following stages: emergence of a new need/strategy; definition of the human capital plan; recruitment and selection; employee on-boarding and orientation; development of ongoing capabilities or career growth; and employee departure. (See Figure 1.)

## Emergence of New Need/Strategy

When a new strategy emerges, leaders need to ask what the staff will need to know to successfully execute. For instance:

**Figure 1:**  
**Six Stages of the Human Capital Lifecycle**



- How will we effectively sort competing priorities, points of view, sense of urgency and limited resources to secure prompt clarity and direction in complex situations?
- How will we build shared ownership of an important, realizable strategy?

For the trainers, it's not only about finding relevant topics but also teaching how the learning

will be applied.

This further comes to life when the strategy aligns with the employee value proposition (EVP), or the branding of the employment experience. When constructing an EVP, the best companies devote as much rigor as developing value propositions for customers.

The EVP should take into account factors most desired by



# THIS INTEGRATED APPROACH WITH TARGETED TRAINING TRULY HELPS EMPLOYEES ATTAIN AND SUSTAIN PEAK PERFORMANCE

prospective employees, including opportunities for growth, a culture of open communication and interesting, challenging work. Training reinforces all these aspects.

## Definition of Human Capital Plan

Senior management should begin by assessing the organization's performance capacity. This determines how well the organization can fulfill its business strategy in its marketplace and how employees contribute to success. The goal is to understand the gaps between present capability and perceived needs. Trainers can help with this task as well.

In the U.S. Army, for instance, efficiency and talent can deter-

mine life or death. While the stakes aren't as dramatic for most organizations, the process remains relevant. One Command with 29 locations spread around the country determined it needed an individual and organizational approach to duties and tasks that reflected a higher degree of seriousness and sense of urgency required to provide high-quality, critical equipment on a very timely basis to battle fronts.

Once it formulated objectives, including improving and refining the focus of leadership, management and technology, this Army Command adopted a matching strategy that included a desire to "focus first on the people." An explicit training curriculum was

established to drive these objectives at all levels and locations. This extensive training enabled a substantial, urgent cultural transformation and put the organization in a better position to handle change and accelerate their tempo.

## Recruitment and Selection

There's strong competition for the best and the brightest in nearly every field. A company must align goals and outcomes for recruitment to be effective. This includes identifying the right people with the right skills for positions, creating the EVP and considering strategies to reduce the cost of placement.

Trainers can also be effectively

## Making Connections

Human capital management directly ties directly to five top business-driving trends:

- Globalization and virtual operation
- Organizational growth and strength in all economic settings
- Evolving or transforming cultures
- Changing market demands
- Loss of working knowledge through attrition

Trainers need to know how any of these connections work in their organization. They can then serve as effective stewards of well-connected training processes and initiatives.





# TRAINERS PLAY A SIGNIFICANT ROLE IN THE TRANSFER AND APPLICATION OF KNOWLEDGE AND TALENT



involved in the recruitment process, and they can serve as a reliable resource for discerning candidates' strengths and weaknesses. Trainers will also then know where to start development once new talent arrives and can help employees gain a quick start for reaching peak performance.

## Employee On-Boarding and Orientation

On-boarding processes that properly reflect an EVP help prevent new staff from experiencing buyer's remorse about joining an organization. Traditional approaches to employee on-boarding are often conducted in an ad hoc manner, with no formal policies and procedures. Putting in place a process, including training, that reflects the EVP and shows direct ties between new employee roles and important business strategy helps alleviate the unsettling period of confusion and disappointment with new employees.

Organizations that implement an effective employee on-boarding process tend to enjoy smoother operations and

are more likely to reduce employee turnover caused by lack of growth and development opportunities.

For example, implementing a systematic process of new hire orientation, on-boarding, business training, customer service training and sales training can rapidly develop a sales force in less time than a more traditional approach. This integrated approach with targeted training truly helps employees attain and sustain peak performance much earlier.

## Development of Ongoing Capabilities or Career Growth

The development stage could take years to reach its natural conclusion. As a result, it can take the most time, attention and resources. Trainers and their attention to strategy-linked curricula and learning experiences lie at the very heart of this stage.

Trainers should also be aware of how their work influences highly talented performers. Our research shows that talented performers share seven characteris-

tics. These individuals:

- Know their worth or market value.
- Display the organizational savvy to identify those who hold key resources and how to successfully gravitate toward them.
- Ignore corporate hierarchy.
- Expect unencumbered, instant access to C-suite decision makers.
- Stay well connected with highly active knowledge networks.
- Demonstrate a low threshold for boredom.
- Prefer to be led by a "benevolent guardian."

The first and most obvious outcome is to provide growth opportunities. One way to do this is to build a curriculum that allows for continued education, training and development throughout the career cycle. High-potential employees should also be exposed to the full range of activities, such as managing larger groups, launching major initiatives and leading critical turn-arounds.

## Employee Departure

Departures can be delicate



and difficult. A key business outcome is preserving critical knowledge to sustain desired organizational results. Still, companies must react to employee turnover.

At stake with every departure is the loss of institutional knowledge. The last thing any organization wants is for the lone person who understands a critical process to leave. But when that happens, trainers need to assist with the transfer of knowledge. Trainers can help others understand the information and how to apply it.

Departures are triggered for a number of reasons—regardless of how good the training and recruiting strategy is, departures are inevitable. No matter if planned or a surprise, departures affect the organization overall, including customers and employees.

In this stage of the Human Capital Life Cycle, the overarching outcome is to sustain the knowledge and talent that the company needs in order to continue successfully operating. Trainers play a significant role

in the transfer and application of that knowledge and talent.

### **In Conclusion**

Understanding the Human Capital Life Cycle and the importance that training plays in the life cycle generates results. Businesses can more predictably grow and secure long-term financial viability and market stature. Senior executives rely on incisive questions to guide their independent inquiry. The answers lead to wiser decision-making within their organizations. The process produces more actionable intelligence when compared to how-to checklists or one-size-fits-all tools.

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## **Takeaways**

Key takeaways trainers should remember when trying to attain a triple win—benefits for the organization, employees and customers:

- Human capital management has become a significant business issue.
- The Human Capital Life Cycle is linked to all of the top business-driving trends.
- The Human Capital Life Cycle is a practical, systemic, dynamic, six-stage approach tied to business needs and customers’ needs.
- Asking the right strategic questions is essential to making wise human capital management decisions.
- When senior leaders ask the right human capital management questions, take the right actions and fulfill the right promises, everyone can win—the organization, its customers and its people. It’s a triple win.