

# HUMAN CAPITAL

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**Human Ressources – Session 2**

# SUMMARY

## **INTRODUCTION**

> Slide 3

## **DEFINITIONS**

> Slide 4 & 5

## **WHY SHOULD COMPANIES SEEK TO DEVELOP IT ?**

> Slide 6

## **MANAGER'S ROLE**

> Slides 8 & 9

## **GOOGLE'S EXAMPLE**

> Slide 10

# 1961

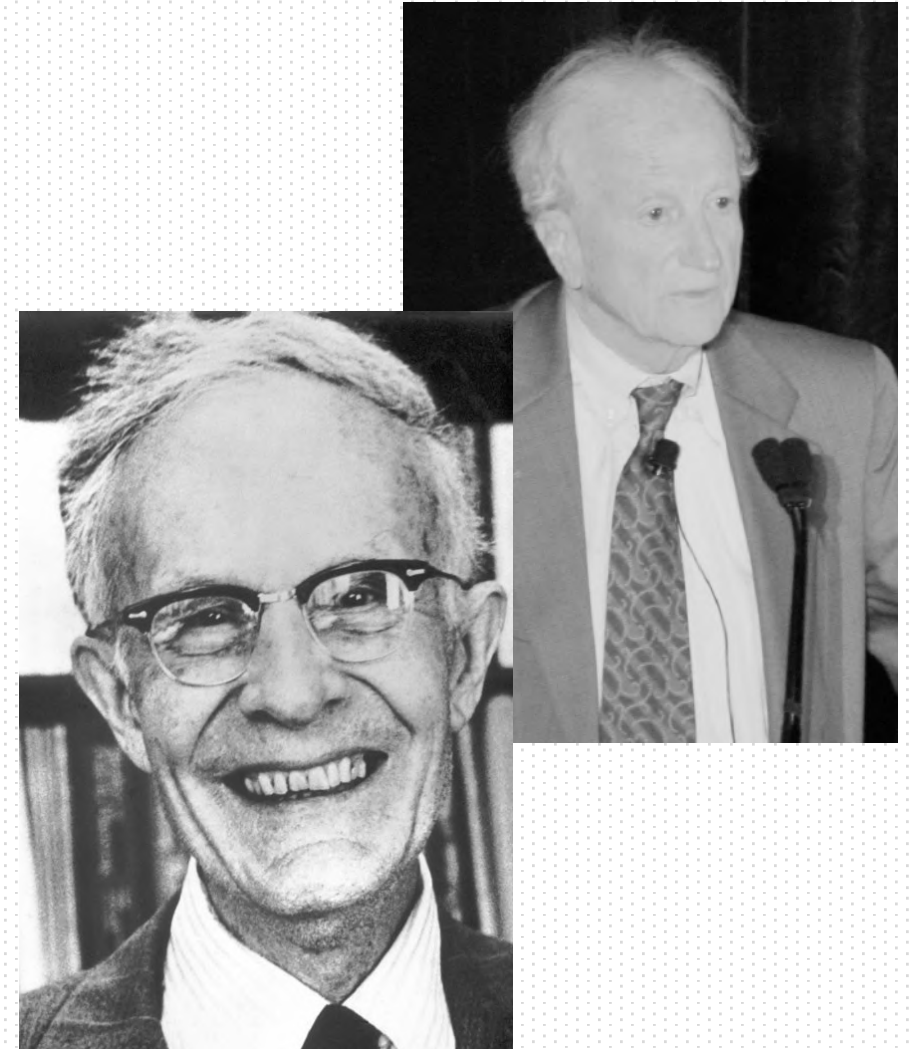
*T. Shultz*

Theorization that **knowledge = capital**

# ~1970s

*G. Becker*

**Improvements** and **popularization**



# DEFINITIONS OF HUMAN CAPITAL

<< Monetary value on the **knowledge, skills competencies & attributes** of a person. All these **factors** enable individuals to work, and therefore **produce** something of economic value. >>

- OFFICE FOR NATIONAL STATISTICS (UK)

<< The **competencies** and other **attributes** embodied in **individuals or groups** acquired during their lifespan and **used to produce** goods, services or ideas in market circumstances. >>

- THE ORGANISATION FOR ECONOMIC CO-OPERATION,  
2014

# DEFINITIONS OF HUMAN CAPITAL

**KNOWLEDGE**

**+**

**SKILLS**

**+**

**ATTRIBUTES**

**= PRODUCE**

# WHY SHOULD COMPANIES SEEK TO DEVELOP IT ?

1.

INCREASE EMPLOYEE SATISFACTION

2.

IMPROVE RETENTION RATES

3.

DEVELOP EMPLOYEE ENGAGEMENT

4.

DEVELOP CLIENT ENGAGEMENT

5.

IMPROVE ROI

6.

IMPROVED ORGANIZATIONAL  
COMMUNICATION

7.

BETTER RECRUITMENT

8.

GREATER COMPANY CULTURE

WHAT DO YOU THINK OF COMPANIES THAT **NEGLECT**  
**THE HUMAN CAPITAL** IN ORDER TO **SAVE MONEY**?

**HIRING,  
MANAGING,  
TRAINING,  
& RETAINING**

TALENTED AND HIGH PERFORMING EMPLOYEES

>>> MAXIMIZING THE RETURN ON  
HUMAN CAPITAL AT HIS DISPOSAL



# MANAGERS' ROLE

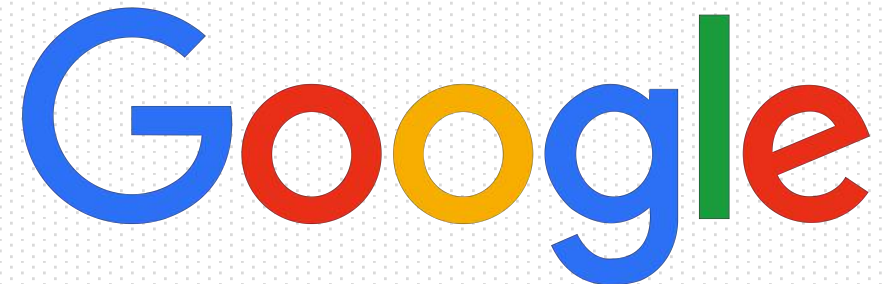
Identifying **required skills and workforce** to ensure **effectiveness** of the team and/or department

**Assessing** the competences and the performance of team members

Make **recommendations to reduce gaps**: needs in terms of staffing, training, promotion, etc

# GOOGLE'S EXAMPLE

- >> Encourages employees to participate in running the company and builds effective teams
- + **Sharing a lot of information** (TGIF—Thank God It's Friday, open Q&A sessions)
- + **Freedom to try new things**
- + **Democracy** (Google Moderators : questions with up/down-votes like Reddit)
- + **Job chngement**
- + **Enterprise culture**



DO YOU KNOW ANY COMPANIES THAT CAPITALIZE ON  
HUMAN CAPITAL AS MUCH AS GOOGLE?

# CONCLUSION

- > **Modern concept**
- > **Human Capital** = knowledge, skills and attributes in order to produce
- > **Important for companies' success**
- > Having the good size of workforce holding the good amount of skills required to company's success



**THANK YOU**  
**FOR YOUR ATTENTION**