

YOUR EMPLOYEES

ASSET or LIABILITY?

If asked, every owner or manager would say that they value their employees as one of their primary assets. Peering behind the veil of the glib, however, often reveals different truths.

All business liabilities need to be actively managed and reduced, wherever possible. Assets, on the other hand, need to be nurtured and renewed. Assets, be they buildings, machinery, technology, products, or intellectual capacity, are the true value of a business. And, the value of your business grows, when you *invest* in its assets. For example, a business is more valuable with a new network and server, than if it were trying to manage its information technology on a Commodore 64!

Through the 1990s, we have witnessed downsizing, rightsizing, up-side-down-sizing – call it what you will. The end result is simply fewer employees being required to do more. This is like trying to stretch an extra five years out of your ten-year old car. Something has to give. You can extend the life of your car, perhaps, by purchasing new tires, a new wiring harness, a tune-up, etc. You recognize that to maintain the asset, you must *invest* in it.

How then do organizations deal with their *human assets*?

Unfortunately, not very well. Far too many businesses fail to *invest* in their employees, thereby rendering them liabilities, instead of assets. Through a deadly combination of lack of vision, inadequate leadership, fuzzy communication, inappropriate allocation of resources, and a general ennui, organizations have failed to address the needs of their employees. This has resulted in a downward spiral of quality, productivity and service.

Leading companies (and there aren't enough of them) view their **employees as a strategic resource** and, as such, have developed comprehensive plans to provide them with training, coaching and developmental opportunities. They are *investing* the time and money to renew and nurture their human assets. For employees to be proficient in performing their jobs, they need the appropriate technical, rational, interpersonal, team, and service skills. It is management's responsibility to provide these skills to employees, rather than being frustrated by and disappointed in their performance.

The good news is that this equation can be reversed quite readily. With a comparatively small investment, you can *skill up* your workforce and convert that deteriorating liability into a high performing *human asset*.

The only question is, will you accept this leadership challenge?



Bill Fields, President bfields@diamondmanagementinstitute.com 905-820-8308

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