

HUMAN CAPITAL AS THE MOST IMPORTANT ASSET

Empowering Organizations to Succeed through People

A recent article published by the Harvard Business School reported that a Harvard Business Publishing survey of global professionals found that only 32 percent of global leaders are confident they have the right leadership talent and skills for their organizations to meet their goals. And, according to the Center for Creative Leadership, less than a fifth of new hires achieve their performance goals. Yet, as the Harvard article states, human capital is more important an asset of an organization – more so than technology, intellectual, and physical property.

“Our mission at D.G. McDermott Associates, LLC, is to help organizations – public, private, and non-profit – succeed through people,” says its founder and chief executive officer Donald G. McDermott. “Human beings all want the same thing: recognition. That’s what motivates them.”

The challenge is for each organization to identify the unique structure, culture, processes, and policies which will enable that kind of passion.

Launched in 1985, McDermott Associates, a human resources consulting firm based in New Jersey, serves mid-sized and small organizations. They provide

strategic planning along with hands-on services for solutions for a broad range of issues facing business owners.

One major category is compensation and to ensure they are in front of industry trends, McDermott Associates conducts an annual survey in cash management, human resources consulting, human capital outsourcing, actuarial consulting, and middle market management. However, McDermott has found that what might appear as a compensation issue frequently is masking other problems.

The firm can also guide organizations in analyzing and, if useful, restructuring other major human resources systems. Those include organizational design, culture, executive development, performance management, succession, and recruiting. For the latter, McDermott advocates tossing out conventional job descriptions. Instead of the usual laundry list of requirements, he suggests that job descriptions should describe the competencies needed and how those directly link to the business plan. That change can prevent hiring the wrong people since success

comes from placing the right people in the right jobs.

An emerging challenge in human resources is motivating gig employees, that is independent contractors. According to Intuit, they currently constitute 34 percent of the workforce. By 2020, that will be 43 percent. The traditional reward system, of course, usually doesn’t apply. Instead, organizations have to create ways to recognize their performance.

When McDermott begins working with an organization, the first step is listening. Seemingly magically, the leadership of the organization begins to open up. They reveal who they are as human beings and what gets them up in the morning. By talking about the organization out loud, they, themselves, come to see what’s unique about what they do. Also, in the process, they allow the consulting team into their world.

During the next phase of the process, the team asks a series of

questions, including what value the program adds, and there is an analysis of operations, the business environment and challenges such as upstart competition, and opportunities.

“What we discover is never black and white,” McDermott explains. “Where we and the client will focus on together are the gray areas.”

Amid the ambiguity, the “WE” configures the new strategies, processes, and policies. That is, the consulting firm and the client operate as a seamless partnership.

The advantage McDermott brings to his clients is that he worked on the client side. His career in human resources began as an executive in the Fortune 500, so he understands the clients’ particular stresses. That empathy is the platform for the kind of partnership McDermott Associates establishes with organizations.

For more information, please visit: dgm.com

