



The Payroll World Human Capital Forum. Sponsored by Northgate and HR Access

Prospectus

A membership-based forum for discussion, research, publishing and knowledge-sharing on techniques in human capital management. It is an ambitious project, aimed at effecting radical changes in organizational analysis, by demonstrating the value to be gained through a more strategic approach to management of people, supported by measures of the internal workforce. It will also encourage the learning and development of payroll and human resources managers that may be needed to facilitate this change.

Why a human capital forum?

Payroll and HR systems generate a huge amount of information on the workforce. Until now, this has rarely been used to guide business decisions. Dramatic improvements in information technology mean that this knowledge on the employee population and its behaviour is live, accurate and rich in detail. It can dramatically assist senior managers in any type of organization.

This forum will:

- Help you identify the management information that will help the business manage its workforce better. Examples may include turnover of high performing staff, or absence rates in customer-facing units.
- Give you a competitive edge. Companies that understand their workforce better, manage it better. Case studies explored at our forum show how these approaches can add thousands or even millions to the bottom line.
- Boost the profile of the payroll and human resources professions. You'll be contributing to business development, not just paying people on time.

How do people create value?

People are the biggest cost for most organizations. And the people currently hired are the principal source of value creation. The people employed – the skills they have, how they are paid, how they behave, their attitudes, values and ambitions – have a huge impact on the way in which customers respond to the organization and on performance.

Despite this, the way people are managed is not always a high priority for executives. For historical reasons, organizations are focused on assets that are *owned* by the business – technology, intellectual property, and so on – rather than the people who are *hired* – the human capital. But in most modern organizations, there are more losses and gains to be realized from changing the way human capital is measured and managed, than from buying, selling or managing fixed assets. The human capital forum is a practical forum based on sharing ideas on approaches that are proven to be effective in people management.

Can we measure value?

The emphasis of the forum will be upon pragmatic, employer-based solutions that have been used and demonstrated to show an improved approach to management based on a better understanding of the workforce, using people-related measures. Research indicates that the following principles can be used to create a strategic approach to people management, based on workforce measures:

- Deploying a mix of quantitative and qualitative measures – for example, monitoring the turnover rate of higher performers, and also the employee engagement level through opinion surveys.
- The principle that human capital measures inform executive decision-making alongside other measures, and that judgement is still required.
- The importance of recording indicators that are relevant to the business, rather than relying *solely* on those that are historically, or most easily, recorded.
- Measures have to take account of the dynamic and changing nature of a business, with care taken to interpret and identify trends.

It doesn't have to start with an expensive, corporate-wide intellectual capital method implemented by consultants. It can begin with straightforward measures such as staff turnover, absence, or correlation of bonuses to performance, combined with intelligent interpretation of what these indicators are saying about the business.

Just as accountancy has seen a development from double-entry book-keeping to financial analysis, so people-related measures can evolve to become a powerful organizational tool – and potentially even more valuable than accountancy, given the dominance of the value that resides in the employee population, especially in the services sector.

Founding principles

The strategic objective of the forum is to bring about a step change improvement in practice of human capital management and reporting, and dissemination of good practice, focusing primarily on pragmatic business needs.

The following principles are proposed:

1. For the purposes of the forum, sponsors and members shall collaborate on encouraging the adoption of good practice in human capital management, laying aside any commercial rivalry.
2. A major priority will be publicity and awareness-raising. To this end, we will actively seek coverage of the forum's events and publications, with members channelling efforts through the forum's chair.
3. There will be an expectation that sponsors and members will take an active part in debates within the forum. They will be expected to contribute ideas both from practical experience and their own intellect in a participative project that seeks to expand and develop thinking and practice in human capital management.
4. The forum is for networking and intellectual leadership in the area of human capital. It is expected that sponsors and partners do not use the forum directly to sell products or services to members.
5. The forum will seek to be co-operative with external bodies – for example, collaborating with other standards boards or think tanks specialising in human capital where appropriate, with consideration given to joint events or publications.
6. The forum will seek to be political: making representations to representative bodies such as accounting standards boards, Government ministers, etc, making the case for human capital reporting.
7. There is particular emphasis on promoting pragmatic solutions, highlighting cases of human capital reports that assist businesses in better management of their workforce, with stronger business returns.
8. The forum will be international in focus, seeking to source case studies from different jurisdictions and different types of company. It would seek ultimately to establish an international membership base.
9. The forum will work closely with the academic world, seeking to stay at the forefront of thinking in this area.
10. Human capital is defined broadly as means to bring measurement and accountability to the workforce being deployed by any organization. No particular methodology will be promoted over any other.

Corporate membership

The 2008 fee is £1,500 per annum, per employer, aimed primarily at senior HR and payroll managers. The member will gain:

- Attendance for up to two individuals at each roundtable discussion (two per year to begin with) and other events
- Networking with leading management thinkers, human capital experts at software providers and other payroll/HR executives
- Access to leading-edge ideas in the young science of human capital measurement: 10 copies of all research documents and supplements
- Introductory gift of a copy of textbooks 'Play to Your Strengths', by Nalbantian et al
- 10% discount at the autumn *Payroll World* update conference
- Access to membership area on website, including proposed inter-active forum.

Sponsors

The sponsor will gain:

- Attendance for up to two individuals at each roundtable discussion and other events,
- Branding on all print and web material associated with events,
- Branding on research and other publications,
- Full mention in all editorial coverage of events by *Payroll World*,
- Networking with leading management thinkers, senior payroll/HR executives and other providers,
- Access to leading-edge ideas in the young science of human capital measurement
- 10% discount for two delegates at the spring and autumn payroll update conferences, run by Payroll World.

For discussion of sponsorship rates, please call Philip Whiteley on 07951 601575/ 020 7940 4801.

USPs of Maximvs Publishing

Philip Whiteley, editor of Maximvs' *Payroll World* and chair of the Human Capital Forum, has written five books and hundreds of magazine articles on the subject of human capital management and related subjects. He is also a regular conference speaker on the subject – for example was the keynote

speaker at the Symposium Events' conference 'Measuring Human Capital' in November 2006 (Details of delegate feedback are available). The speakers at the Forum's first two events in 2007 were the ground-breaking human capital specialists Haig Nalbantian, co-author of *Play to Your Strengths* and head of human capital at the New York office of Mercer HR; and Andrew Mayo, professor of human capital management at Middlesex University.