

## Human Capital Asset Management

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One of my favorite movies is “Miracle”, the story of the 1980 USA Olympic hockey team that won over the heavily favored and seemingly unbeatable Russian hockey team. The Russians, seasoned, skating together since they were kids. The Americans, young, talented, but just college age and never have skated together as a team until they first met at try-outs. Now one might be curious as to what does the 1980 USA Olympic hockey team have in common with Asset Management. Surprisingly enough, a lot!

Herb Brooks was the USA coach in 1980. He defied traditional ways of selecting players for the Olympic hockey team. His techniques were so ingenious, yet so simple. He simply asked the players he selected for the team to take a 200-question personality test. To Coach Brooks’ surprise, goalie Jim Craig refused to take it. So, what was so crazy about this test. The test was a simple assessment of a person’s personality profile. Yes, Coach Brooks’ was trying to determine which players needed to be on the bus and in which seat. He needed to know who had the stress tolerance to remain cool when his team was behind by a goal against the Russians and yet be a strategic ‘disrupter’ who could who could create enough havoc in front of the Russian defense so that the puck could slip by the top goal-tender in the world. It is this sub-plot in the movie that is like the “Organization and People” pillar of the Institute of Asset Management’s (IAM) conceptual model of Asset Management.

### What is Human Capital?

Human Capital is the personality, emotional intelligence, and cognitive thinking styles that comprise of an organization’s senior leadership, management team, superintendents, supervisors, and front-line staff who have a direct interaction with the customer. These three psychological topics are so important for asset managers to understand whether an organization can achieve its strategic objectives. It is also crucial for practicing the depth and breadth of Asset Management, particularly the six pillars of the IAM’s conceptual model. I am not a psychologist by any means, but I was taught by asset manager experts that people do Asset Management. People also provide customer service and have daily interaction with the customer. It is these same people that need the most investment and must have the right tools for success based on their human psychological capability. It is these very people that we must count on the most to drive business processes that they can own, understand their role within the “vertical light of sight” from management, and feel a sense of contribution toward organizational strategic objectives. Engaging the psychological human capital side of Asset Management can unlock the capability necessary to achieve strategic objective and a sustainable management system for its assets.

“... people do Asset Management.”

## Human Capital and Asset Management

Human capital and Asset Management have a lot in common. The Organization and People pillar of the IAM's Asset Management concept model has a tremendous effect on successful achievement of an organization's strategic objectives. We can have the best developed Asset Management Plans but see them fail or shelved within one year simply because the human capital capability with the organization was not considered. Take a moment to reflect on these simple questions and determine if they resonate. What leaders can be identified to carry the Asset Management torch within the organizational structure? Who are champions to own program activities and business processes for efficiency and effectiveness? Does your organizational chart have diverse and inclusive cognitive thinking styles to expose a plethora of opportunities or increase Asset Management maturity on several landscape subjects? How balanced is my organizational structure with extroverts and introverts? Is senior leadership or the management team aware of their own emotional intelligence so that we can have healthy, passionate and intense debates on sensitive corporate topics? Do we trust each other? Organizations that can respond to these questions based on understanding their human capital are the organization's that have better success of achieving their strategic objectives. In today's age of desiring to have strategic objectives fulfilled in short order, understanding human capital and its correlation to Asset Management is paramount.

**“Is senior leadership or our management team aware of their own emotional intelligence that we can have healthy, passionate and intense debates on sensitive corporate topics?”**

### **I need more staff, so I must hire, should I clone myself?**

Absolutely not! We all make the same mistake in hiring someone who thinks, communicates, and processes just like we do. While a person who is like us may be initially more comfortable to work with, this comfort level does not lead to more creative and innovative solutions and greater attainment of strategic objectives. A team comprised of divergent styles leads to this!

Strategic objectives typically mean that the organization wants to develop a future state model and be able to sustain it. This model may require diverse strategies for its sustainability, and diverse cognitive thinking styles can help realize this. It is imperative to understand existing cognitive styles and what is necessary for the organization's future state.

For example, let's examine an asset-concentric public works department, transit authority or a facilities management unit that contains several hundred employees. Each unit is sophisticated and has technically minded individuals. Many of these individuals may be unable to “see the forest for the trees” or who are rigid, inflexible, or unyielding in their problem-solving approach. This may be a barrier to strategic thinking and long-term planning.

In addition, each unit has an outward facing obligation to the public or customers. These units must have members who are effective communicators who build relationships and are able to translate technical gibberish into something that the average customer can understand. As senior management for a business unit that must deliver or align staff to the organizational strategic objectives, it becomes very important to review whether your organization structure contains diverse and inclusive cognitive thinking styles, including that succession plan.

## Applying Human Capital to Asset Management?

With six pillars of the Asset Management conceptual model and 39 supporting landscape subjects, one can only imagine that it takes a diverse and inclusive human capital team, department, business unit, or organization to implement this broad spectrum of competency. And each team member must bring unique styles and high self-awareness 'people' skills to assure their success. From strategic planning to lifecycle analysis, from risk taking mavericks to stakeholder engaging relators, there are plenty of roles for everyone because people do Asset Management!



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