How CEO Human Capital Strategies Drive Growth & Deliver Real Returns

By Joe Hunt

In 1927, the average life span of an S&P 500 company was sixty-seven years. Today, that life span is merely fifteen years. Even more humbling, are the findings of recent studies regarding the sustainability of businesses.

In 2014, a study conducted by the John M. Olin School of Business at Washington University estimated that 40 percent of today’s F500 companies on the S&P 500 will no longer exist in 10 years.

In 2016, the Babson School of Business estimated, based on their findings that by 2020, 75% of the companies on the S&P 500 will be companies we’ve not yet heard of.

Businesses and their leaders no longer have the luxury of treading water for half a century while maintaining modest growth and returns. Now more than ever, companies must capitalize immediately on opportunities and implement plans to grow their businesses rapidly. The alternative is to join the other 75% who will be eaten by the sharks.

This leads us to the obvious question: What must I do to make sure my company is still relevant in 3 years?

The answer begins and ends with your people.
While admittedly, there is no surefire plan to guarantee success 100% of the time – if there were, no company would ever go under, nor would any executive need to be fired – there are certainly signals to watch for and strategies to which you can adhere that will increase the likelihood of corporate and/or individual success and longevity.

Here are two strategies/lessons to help ensure your Human Capital decisions will drive growth and deliver real returns.


“When the going gets tough, the tough get going.” We’ve all heard this cliché as long as we can remember, and the truth at its core is rarely disputed.

Think back to the housing collapse and the subsequent recession of 2007. Successful companies adapted their human capital strategies to meet the demands of a challenging market.


One of the biggest observations I extrapolated from the data, was evidence of a major flaw in how US companies manage positive Human Capital markets – those which exist during periods of economic growth.

When market downturns occur, most companies display predictable human capital behavior changes. They begin by first cutting back on headcounts. Then, as the available talent pool becomes flooded, spending on internal leadership development and external recruiting is cut.

Looking back to 2007-09, the promotion rate in the US fell from 10.2% to 6.5%, and the resignation rate fell at a similar pace. But the most telling statistic, which reveals a flawed logic related to human capital planning is the rate of usage of succession pipelines.

During the heat of the recession in 2007-08, 77.5% of US companies maintained a strategic succession pipeline. As the economy began to show signs of turning in 2009, that number dipped to 51.2% then bottomed out at 45.7% when the economy was in full recovery mode 2010.

If utilizing a strategic succession pipeline is necessary during times of uncertainty, would it not then be of even greater benefit during times of competitive growth where ‘A-Player’ talents are fully employed, well compensated, and harder to come by?
Many of our clients have identified this need and have enlisted our ‘HELP’ in building and developing their pipelines.

Follow this link to learn more about how the Hunt Executive Leadership Pipeline can be of ‘HELP’ to you.

Don’t wait for difficult times to develop a plan for your human capital needs. Those companies who build and maintain deep talent pipelines will be the ones still standing come 2020.

“**Innovation comes from the systematic analysis of 7 types of opportunities:**”

1. Unexpected Occurrences
2. Incongruities
3. Process Needs
4. Industry and Market Changes
5. Demographic Changes
6. Changes in Perception
7. New Knowledge

To be frank, if you don’t see at least one of these opportunities within your current role, then you are not an innovative thinker. If that is you, all hope is not lost. Just like any other skill, being an innovator takes development. Read through our list of Attributes of LeaderShift Innovators (located on the next page) and ask yourself:

“How can I develop each of these attributes in myself or my team?”

Once you’ve recognized an opportunity for innovation, the next step is to identify the right innovative leaders to capitalize on it.

Elon Musk, CEO of Telsa, SpaceX, and renowned innovator, discussed how he identifies the right people to lead his hyper-innovative companies with Business Insider. “When I interview someone... I ask them to tell me about the problems they worked on, and how they solved them.”

Musk goes on to reveal this question is how he determines if a person is really a problem solver/innovator. If someone demonstrates multi-level understanding of the problem and how the solution was achieved, then they were truly the driving force.
“If they get stuck,” Musk continues, “you can say, ‘This person was not really the person who solved it, because anyone who struggled hard with a problem never forgets it.’”

Corporate cultures built on a foundation of innovation will be far more prepared to hire the right leaders who possess the capacity to adapt, persevere, and deliver solutions to the business challenges of tomorrow.

I began this article with a question: What must I do to make sure my company is still relevant in 3 years?

I think it is only fitting to end it with another: What is my company’s Human Capital strategy?

Now ask yourself: Do I know the answer? Does my company even have a defined plan? Does that plan address the challenges associated with succession planning, innovation, diversity/inclusion, digital convergence, development of internal talent, and global talent integration? Does my company have a well-defined corporate culture?

If you answered ‘No’ to any of those questions, then the time to act is now. Consider this your opportunity to recognize a process need, and be the innovative leader who solves it.
On September 9, I will be hosting a CEO discussion panel at the [GMA Leadership Forum](#) that will be diving deeper into the topic of Human Capital Strategies.

My fellow panelists include, [Michele Buck, CEO of Hershey](#), [Kees Kruythoff, President of Unilever NA](#), and [Mark Smucker, CEO of JM Smucker](#).

If you are attending this event, I welcome you join us in the Crystal Room at 11:00am for what will certainly be an entertaining and informative session. [Click here for more information about our session and panelists.](#)