



PERSPECTIVES

NOVEMBER 2020

HUMAN RESOURCES UNDER THE LENS

Authors:

Fadeela Ali and Haifa Salman, Human Resources Department, Trust Re

Why does an organisation have a Human Resources (HR) department and what does the HR team add to the business? This is a question which might be asked by an employee in any organisation. Employees tend to understand that HR is there for them to ensure that they get paid and have benefits.

Is this the full picture? Let us put HR under the magnifying glass and check it out in a little more detail.

A snapshot of the evolution of HR

The field of HR began to take shape in the 18th century; it was built on a simple idea by Robert Owen and Charles Babbage during the Industrial Revolution; they concluded that the well-being of the worker was critical to worker productivity. The first, Robert Owen, was a Scottish social reformer who thought workers ought to be “motivated” rather than threatened. The second, Charles Babbage, was a mechanical engineer who brought a scientific approach to management.

Perhaps the first formal HR title was that of the ‘Welfare Officer’ in the late 19th century. The Welfare Officer’s focus was solely on the protection of women and girls in the workplace, who were recruited initially to meet the growing demand for industrial workers, and later in larger numbers to, controversially, fill the gaps left by men who had been called up to fight in the First World War.¹

The rise of the HR department started in the middle of the 20th century with many organisations launching a Personnel Management function. At the time, the Personnel department was a service department dealing with all employee related issues and it was responsible for ensuring full compliance with labour law requirements. Personnel departments became the first line of defense against accusations of prejudice, at times taking on a quasi-legal role and ensuring that no discrimination was taking place.²

The major development of HR came around the Second World War when the army developed several training programmes for new soldiers. This idea of having a training department caught on as being an important part of personnel management.

In the 1970s, personnel departments turned into Human Resources Departments and they started to manage processes and procedures related to a globalised workforce.

In the 21st century, the responsibility of HR has grown and changed along with the economy and the demands of technology to take a greater part in management decisions and to help manage employees.

The changing role of HR

Unfortunately, nowadays some people still see that HR is a services department. They look at the HR team as a group who performs monthly payroll for staff, helps in hiring, onboards new employees and supports training and development requirements whenever needed or requested.

True leaders see HR as a strategic business partner; they empower the function and provide it with a seat at the business decision making table. They now work alongside business leaders to influence and direct employee engagement, company culture and major company changes. It is so rare to see an organisation that has an HR department to perform only administrative tasks.

¹ <https://net-recruit.co.uk/a-history-of-human-resources/>

² <https://www.hronline.co.uk/blog/the-history-of-personnel-management/>

Empowering the Human Resources function

An HR professional may experience working with different types of business leaders. You may have the good fortune to work with an extremely dynamic leader, where HR is allowed to be a strategic business partner; it adds value to the business and contributes to success. On the other hand, it also happens to be the case to work with closed minded business leaders where the HR department is not empowered to add any value and is almost disabled.

There is enjoyment to be found in both scenarios. The HR function is responsible for creating the right balance between employees and their employer (business owner).

Let us look at the department name: Human Resources. As most of you know, it was a personnel department but now we are proud to have the term “Human” as part of the department’s name. It is what continues to drive our passion as HR professionals. Being in the Human Resources department means you are in a position where you have to deal with people and their issues regardless of grading and positions.

The pivot for starting a career in HR can be the type of person who enjoys helping people, encouraging them to achieve their goals, to overcome obstacles and grow in confidence which ultimately adds to their productivity. Seeing “Win-Win” situations can be very satisfying.

We always believe that what drives success in HR is to have HR professionals who understand the meaning of “Win-Win” then ensure people are treated humanely by addressing human needs for appreciation, belonging and the need to make a meaningful contribution. Treating people humanely does not require a title or authority.

Then, after “Human” let’s look at the second word, “Resources”. Why are Humans a resource?

The best analogy that can answer this question comes from Mother Nature. Let us look at the business like a tree which needs water to grow and to stand very strong with its roots deep in the ground. Thus, the employees in the organisation are the major resources for keeping the business alive; they are like the air, water and soil for the tree.

As a result, HR plays an important role managing the most valuable, powerful and effective resources of the organisation. It should be quite clear by this point why the Human Resources function must be empowered in the organisation.

Nowadays, the HR leaders have secured their seat to be with business leaders to influence their strategic decisions and business planning with the vision of “Talents driving business to success”.

HR leaders must possess the credibility and authority to drive important talent decisions; just as we say the CFO (Finance Leader) is accountable for profits and losses, the HR leaders shall be measured against and held responsible for talent outcomes and the value they drive.

Building up for success

In very simple language, it is HR’s responsibility to ensure that the right people exist in the right position and that this is being managed through the organisation design and recruitment processes; both of which are very critical and should establish the infrastructure and the base of any business strategy.

Then HR shall ensure that these resources are enabled to perform and keep them on the right track, aligned with business needs and managed through Training & Development, Performance Management and Succession Planning.

Ensuring effectiveness and efficiency

Within different HR processes and procedures, the employee engagement element is the most critical aspect to strategise the HR function to be business oriented rather than employee-personnel oriented. Flourishing and successful businesses are those which maintain engaged and productive talents.

The HR function is accountable for developing and implementing an employee engagement strategy which contributes to developing positive business culture and improving employee productivity and reinforcing the values of the business.

HR plays a significant role in developing, reinforcing and changing the culture of an organisation. Pay, performance management, training and development, recruitment and onboarding, and reinforcing the values of the business, are all essential elements of business culture led by HR.

Eventually there are two type of suit which HR can wear; either that of a wizard who applies 'magical' items to the function or a more 'robotic' one which goes by the book.

It is the business leader's decision whether to have a magical HR function or just a personnel department handling administrative tasks.