

Do You Really Need a Human Resources Department?

Recently, I was having lunch with a Human Resources friend who has been retired for about 30 years. We were talking about the evolution of the world and the business itself when conversation came to Human Resources. He told me how the job of those in Human Resources is different today than it was years ago when it was primarily to deal with Benefits and Payroll. As time passed over the years this transitioned to recruitment and training for performance. In those days, many of today's staples, such as executive coaching or organizational development were virtually unheard of. Needless to say, the procedure known today as "Outplacement" was a cruder one, where employees were simply "let go", if not "fired."

Human Resources departments did provide a challenge! At first, this department that "managed" people and their future were referred to as "resources", the human kind. Although that terminology may have worked in the past, the younger generation generally wants to be known for their individuality, not that they are resources. Surely there is a better word for this department just as there are more meaningful titles today. Perhaps "People Department", the "Caring Department", or the "People Support Department" may be more meaningful. Today Human Resources looks after the individuals who are hired by the firm. And, they are there to support the management team to ensure the "human" resources perform to achieve corporate goals.

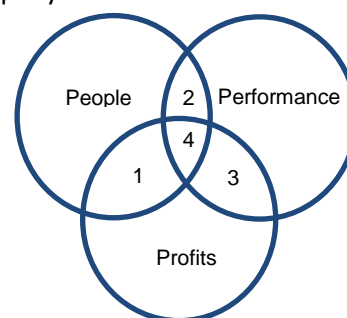
Interesting, isn't it? Your human resources department has two masters and we all know how difficult that can be! At one moment Human Resources is orienting a new employee

and at the next moment they are dealing with finding a new performance evaluation system.

Today, I talked to a crown corporation which has just moved their Human Resources people around to provide greater learning and cross-training to its personnel. It's a smart move in my mind – it makes the individuals in the department more valuable to the organization as it brings about greater knowledge and even compassion when dealing with management and staff.

Your People Department suggests this is a place where people are the most important aspect of their job. It is hard to imagine this when the Human Resources Department has to downsize people because the company is no longer viable.

This is where the challenge truly comes into play. Human Resources Departments must bring value to every organization. There must be a return to the organization or else there is no need to have the department. When the People Department succeeds in bringing together the People, Performance and Profits there is value. Only when the bottom line, the Profits, is accomplished is there a value from the department. Rarely do companies look to the HR Department for a Return on Investment (ROI). Yet, every department, including HR should increase the bottom line of the company.



1. No performance – you're on a sinking ship.
2. No profits – you're running on empty.
3. No people – you're on a treadmill of constantly hiring and training.
4. You're in the zone of success.

Forcing the amount of paperwork on a Human Resources that is necessary today makes it almost impossible for many to do the job they trained to do, and they signed on to do when they joined your company. Guiding the right people in being the best they can be and providing them with learning, a motivational environment, and all the tools necessary to do their job, is the job. If this isn't the job then why do you need a Human Resources Department? If there isn't value then consider outsourcing your human resources so the people in your organization can focus on the jobs they were hired to do.

How can you do the analysis to see the value of your "people" department? The following questions might help:

- When did HR last help improve the value of a department in the organization? How did you know the department improved? A hint – what was added to the bottom line?
- What talent gaps in the organization are evident? And, what process is used to fill the gaps as opposed to filling the positions? A hint – look at the outcomes needed, not the titles or the roles.
- What percentage of people will retire within the next 5 years? How will you transfer the wisdom from the heads of those retiring to the new people? And just as important, where will you get new employees? A hint – this is critical information leaders need to be able to focus on future profits.

If your Human Resources Department isn't on top of these questions they may not be building your profits. And if there is no value placed on the ROI then perhaps you need to consider whether or not you need a Human Resources Department.