



# So What



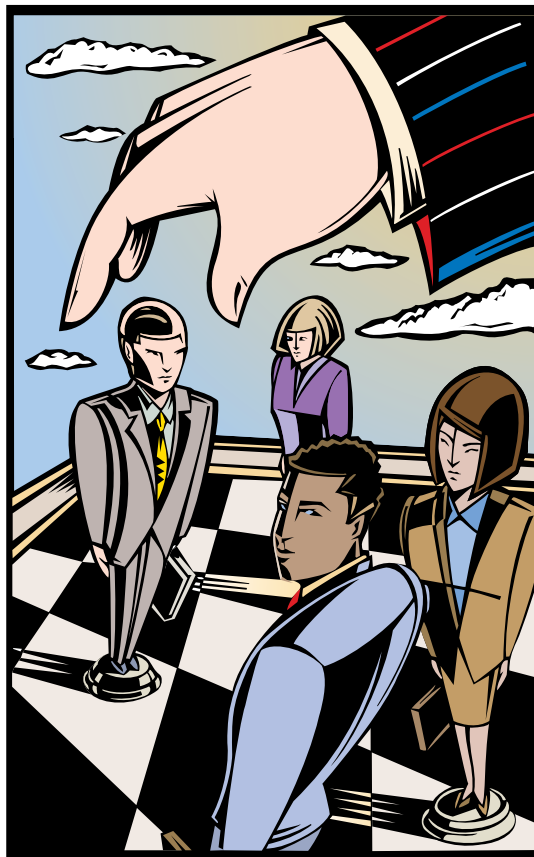
What do you think of when you hear the phrase “human resources”? The department of a company you hope you’ll get a call from when you want to land an interview? For people, human resources means a wide variety of activities—HR employees make sure you get paid, stay safe on the job, and have the tools you need to succeed. Read on to learn more about the important role of human resources in any business, big or small.

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## Objectives:

- A** Describe human resources management activities.
- B** Discuss the role of human resources management in business.

## All in a Day’s Work: Human Resources Management Activities



A successful company has many resources it uses to accomplish its goals. It has facilities, perhaps a small one-person office or locations all over the globe. It has capital, whether it’s a \$1,000 loan from mom and dad or millions from investors. And, it has human resources, maybe just two partners in business together or hundreds of thousands of employees. **Human resources** are the people who work to produce goods and services, and they are invaluable to a company. **Human resources management** is the process of planning, staffing, leading, and organizing those employees.

Human resources management is a function of business, as well as a department. In other words, bigger companies may have a great number of employees dedicated solely to managing human resources, but even in small businesses without an official “HR department” this important function still remains (and is most likely managed by the owner). And, even in big companies, human resources management is not contained solely within the HR department—supervisors and managers across the organization also take some part in managing human resources, although their level of involvement varies from business to business.



How many employees must be trained for the same position at the same time? Is training required because of new equipment or work procedures? What type of professional development or continuing education do current employees need? Where and when is the training best conducted? The answers to these types of questions help HR managers determine training needs.

Next, HR managers must determine what resources are available for training and development. Who will conduct the training? In many cases, on-the-job training for new employees is supervised by another employee or “mentor” in the same department. However, it’s still up to human resources to arrange this. In other circumstances, an HR trainer may take responsibility for this task. HR managers are also in charge of deciding what materials are needed. In some cases, it may be possible to select and purchase appropriate training materials; in other cases, however, HR managers must work with others in the company to develop training materials specific to the business.

Another aspect of training and development is performance management and improvement. Employees need feedback on how they’re performing their jobs—what they’re excelling at and how they can improve. Every company handles performance management a little differently, but human resources management should oversee the process. This may involve developing a company-wide evaluation system, keeping records for personnel files, and assisting supervisors with performance reviews. When necessary, HR managers will also be involved in disciplinary issues. Businesses have policies in place to take corrective action when an employee violates the rules or is not performing his/her job satisfactorily. An HR person is usually on hand to guide the employee through the appropriate corrective steps and to dismiss the employee if the situation does not improve.

## Compliance

Businesses must comply with many different laws and regulations. These vary based on the size of the company, where it’s located, what industry it’s in, etc. Human resources management oversees compliance issues for most companies. Here are a few of the main compliance and legal matters HR managers deal with:

**Safety and health.** Every company wants its workers to remain safe and healthy. Not only does this matter for the employees personally, but it also keeps the company productive and spares many unnecessary expenses. First, HR should ensure that the company complies with all workplace-related safety laws. There are many laws in place that relate to the storage and disposal of chemicals, the use of dangerous power equipment, and the number of breaks employees must have during a shift. Compliance may include conducting safety training and workshops, regularly monitoring the workplace to make sure regulations are being followed, and keeping track of all information regarding work-related illnesses and injuries.



The Occupational Safety and Health Administration is a federal agency whose mission is to prevent work-related injuries, illnesses, and deaths by issuing and enforcing rules for workplace safety and health.

Many times, companies will go above and beyond their legal obligation to promote workplace safety and health. They may offer wellness and weight-management programs; on-site fitness centers; support groups focused on physical and mental health issues, such as smoking cessation, health education programs, etc. HR managers are usually in charge of administering these programs.

## The Gray Zone

Human resources managers know that there are certain questions they cannot ask potential employees during the application and interview process. However, there are sometimes ways to ask legitimate questions that give you the same information as illegal questions. Here are some examples:

- You can’t ask an older candidate, “How long do you plan to work before you retire?” But you can ask, “What are your long-term career plans?”

- You can’t ask a female candidate, “What is your maiden name?” because it violates her right to privacy regarding her marital status. But, you can ask, “Have you ever worked or earned a degree under any different names?”
- You can’t pose the question “How tall are you?” on an application form. But, you can ask, “Are you able to reach items on a shelf that is five-feet high?”

What do you think about these methods of obtaining information about job applicants? Are they ethical or unethical?

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Business environments are always transforming, too. The economic climate can shift quickly, and there is a growing trend toward globalization. New technologies seem to pop up virtually overnight. To keep pace, companies make constant adjustments, such as organizational restructuring and outsourcing. All of these changes create human consequences. Human resources management deals with these consequences in nearly all of its activities.



### Human resources and strategic management

Now you know that human resources management involves a lot more than just interviewing and hiring employees. Today, HR executives play vital roles when it comes to a business's **strategic planning**. They're often found at the same meeting table with the company's CEO, CFO, COO, board members, and other top-tier managers. HR managers can provide valuable insights into important company decisions, such as organizational restructuring

(mergers, acquisitions, downsizing, etc.) and budgeting.

Why is human resources management so important to a business's strategic plans? Strategic plans are made for the company's long-range future. And, no company's future looks bright without the right human resources in place. Organizations must work *now* to ensure they'll have the human resources they'll need tomorrow. Strategic planning is incomplete without taking HR into account.

Human resources management can also help a business gain a long-term competitive advantage over the rest of the industry. Consider two competitive businesses that are equal in size, capital, and access to raw materials. With all other factors being equal, human resources can make the difference in one business being more successful than the other. How productive and efficient are the employees? How well do they control the other resources to create revenue? Is employee satisfaction high, reducing turnover and hiring/training costs? Well-managed human resources enhance organizational performance and often determine whether a company is good or *great*.

### Summary

Human resources are important to business effectiveness because they control all the other company resources. The role of human resources management is constantly changing and evolving as employee and business needs change. Human resources managers play vital roles in strategic management.



1. How does human resources management contribute to business effectiveness?
2. How has the role of human resources management changed and evolved?
3. What is the role of human resources management in strategic planning?

