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Lessons Learned from “Why We Hate (Shouldn’t Hate) HR” Articles¹

In a tongue-in-cheek manner, Hammonds attempts to explain:

1. why the HR function has not delivered on its promise to become a strategic partner
and
2. why organizations and their employees have little, if any, respect for the work done by the HR department in their respective organizations.

However, Hammonds’ article sent shockwaves through the HR community. Among the scathing reviews of the current state of HR, Hammonds quoted a college professor who stated, “The best and the brightest don’t go into HR.” Pretty harsh words, especially when practitioners are trying to reinvent HR. We have all heard that HR needs to be more strategic to gain a seat at the “proverbial” table, and that we need to be more business-oriented. Here are some thoughts on how Human Resources can become a strategic partner in the organization.

HR professionals lack the business acumen needed to be successful strategic partners in a business organization.

1. HR professionals need to understand all business functions - “hard skills” not just “soft skills”
 - a. “hard skills” (e.g., finance, accounting, marketing) involve numbers
 - b. “soft skills” (e.g., conflict resolution, employee engagement) involve feelings/emotions
2. HR professionals must understand and be able to do performance metrics because the results have a direct impact on company success/failure and are necessary for strategic HR practices to show HR functions’ return on investment. HR metrics include:
 - a. cost to hire
 - b. time to hire
 - c. employee turnover rate
 - d. employee turnover cost
 - e. preventable employee turnover
 - f. employee satisfaction/recognition
 - g. length of employment
3. Organizational leadership must understand the need for balance between concern for people and concern for the organizational bottom line, not one extreme or the other.

Why HR Professionals Historically Don’t Have Business Skills

It’s important for business students to understand the history of HR to more fully understand:

1. why MBAs are not typically drawn to HR
and
2. why HR professionals tend to lack specific business skills.

Until only recently, most HR positions were filled with **industrial-organizational psychologists (I/OP)**, **industrial labor relations (ILR) experts** and **liberal arts majors** who liked working with people but had no business acumen and were number-phobic.

The only discipline that comes closest to having any sense of business process and function is ILR. **The training for ILR experts, however, has historically focused on labor-management relations from the perspective of labor, not the organization or management.** Unless and until these programs build in a component of understanding business and organizational process and focus less on validation of selection tools and union collective bargaining practices, HR as a function will continue to stay marginalized.

The Industrial Relations (IR) Institute at the University of Wisconsin-Madison is a great **example of the problems HR departments face if they choose not to change with the times.** Approximately 20 years ago, the IR Institute had the opportunity to be brought into the Business School as one of the school's programs. Unfortunately, this change was resisted because it was felt that it would influence and change the essence of the IR program. Sadly, this outstanding and historically important program folded a few years later.

It seems the **most successful IR programs**, except for Cornell, which remains the premier program (**one of the textbook authors is a professor of HR in Cornell's ILR Program**), are **either located within business schools** (University of Minnesota, Carlson School) or have **formal joint ventures with business schools** (University of Illinois, Urbana/Champaign) to allow for the importance of business processes to be integrated into IR education.

Reinventing HR from the Classroom to the Boardroom

Changes Needed in HR Education

Several changes can be made in HR/business education programs to ensure graduates have the appropriate knowledge, skills and abilities (KSAs) to link HR practices to business strategy. First, HR professionals educated through business school programs need to ensure they have courses in strategy, finance, accounting, as well as functional HR expertise. By extension, IR programs that focus on HR majors must also link their training to strategy, finance and accounting. Whether they provide these courses in-house or cross-disciplines (i.e., joint ventures with business schools), **HR education needs to be consistent across the board for those who expect to take positions within a business organization.**

Second, **top management values performance metrics.** That is, **top management speaks the language of profit and loss.** Therefore, if HR is to get management's attention, it is important for HR professionals to know how to speak that language and to understand finance, accounting and economics. Furthermore, HR professionals need to understand **how HR practices are linked to company strategy** and be able to **use performance metrics** to make the case that HR practices are a worthwhile investment.

Third, if HR is expected to become a strategic partner, **top management and MBA programs must stop suggesting** (as Hammonds does) and reinforcing the idea that the best and brightest MBA students are

not drawn to work in HR upon graduation because **HR is a dead-end career path**. For example, after spending upwards of \$60,000 on an MBA, not including lost income for the two (or more) years that one studies for the degree, why would an ambitious business student choose a dead-end career?

Fourth, **“soft skills” (HR and organizational behavior) are less prominent topics in MBA programs, which focuses on functional expertise** (e.g., finance, operations). However, it is even more imperative that students understand how human behaviors and human resource management can help an organization achieve success, even if that MBA graduate never works in an HR department, because MBA education is about training future leaders.

HR practices are becoming more and more **decentralized**, and **current functional managers are the ones who will be doing performance appraisals, recruitment, and selection**. Given that an organization is inherently a social enterprise and human behavior brings challenges to an organization, why would MBA curriculums minimize HR and reinforce to MBA graduates that “people stuff” doesn’t matter to functional expertise when, in fact, **human interaction is the foundation within which the functional areas must exist and survive**. In the immortal words of Alice of Dilbert fame (Scott Adams, United Feature Syndicates, Inc. 1996), who has just met a newly minted MBA who has no people skills but is highly skilled in finance, accounting and economics, “So, you’re a highly qualified leader because...you’re good at math?”

Changes Needed in Business Perceptions of HR

One could argue that because **women tend to make up the majority of the positions in HR**, HR’s role would be marginalized in an organization since **“women’s jobs” tend to pay less** and are not considered as central to the success of any organization.

Historically, women have found themselves in **staff versus line positions, which tend to have less visibility in the organization**. One could argue that **women were directed into HR department positions because of inherent sexual stereotypes that women were better suited to the “people-oriented” positions in HR**. That, coupled with the minimal value placed on “women’s work,” likely played a role in the diminished perceptions of HR departments. Title VII, which you will read about in Chapter 3, addresses whether women are adversely affected in the workplace.

Similarly, organizations looked to professionals who would validate selection tools and manage the administrative aspects of the organization’s personnel -- hence, the name Personnel Department. However, **HRM has evolved over time to encompass not only those administrative issues** (e.g., paying employees on a timely basis), **but also other employee-related issues including career development and planning and performance enhancement**, which tend to be more important to top management and **carry more strategic weight** in the organization.

NOTE: Marymount University’s Masters in HRM has been revamped recently to include many cutting-edge classes that focus specifically on HR strategic support of the organization and the newest HR trend of people

analytics and metrics. See the HRM Masters website: <http://www.marymount.edu/Academics/School-of-Business-Administration/Graduate-Programs/Human-Resource-Management-%28M-A-%29>

¹ Adapted from Robyn A. Berkley's "Why We Hate HR" Report for SHRM, 2006.

² Greer, C. R. (2001). *Strategic human resource management: A general managerial approach (2nd edition)*. Upper Saddle River, NJ: Prentice-Hall.

³ <http://humanresources.about.com/od/humanresourcesstrategic/tp/human-resources-strategic-planning.htm>



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