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Why We Don't Hate HR (Anymore?)

The development of 'human resources' is a fairly new phenomenon in the history of human labor. As we evolved from hunter-gathers to agricultural workers, people did not require hierarchical management systems. Top-down structures existed, of course. There were feudal lords, overseers, plantation managers, sheriffs and tax collectors, emperors and kings. But there was no collective labor organization. Individuals worked their farms or maintained small businesses as tradesmen or skilled workers. There was little need for oversight or efficiency monitoring. Workers were largely independent. Of course, there was a major shift in the organization of labor after the 18th century. The Industrial Revolution and the rise of factories, production lines and heavy industrial labor required more organization and structure. New theories about worker psychology and efficiency monitoring appeared. Workers began to be seen as a 'human resource' rather than cogs in a wheel. The growth of unions and worker health and safety movements through the 1930s to the 1960s also required new methods of employee management due to increased legal scrutiny. Finally, there was the formal development of Human Resource Management (HRM).

Today HR departments are fixtures for large companies. However, the field of Human Resources has been a field of contention. In Keith Hammonds' 2005 article "Why We Hate HR," many criticisms of the discipline were detailed. Some were long-standing problems. Some are new and troubling developments. The same concerns Hammonds raised continue into 2015, despite the impact of the article and the resulting calls for change. A small handful of companies have embraced change. They have strived to shift the focus of HR from quantitative to qualitative measures, to improve workforce communication and ensure HR has a role in strategic planning. But these companies are few and far between. The majority of HR departments have remained stagnant and, in some cases, the culture has worsened. There is even more of an emphasis on broad company-wide performance measurements, and in protecting companies from legal action. In some ways this is a return to the old method of scientific management style popular in the 1910s and 1920s. The development of HR theory and practice has actually regressed in many ways since Hammonds' 2005 article. There has been a negative change in the last ten years, and although company messaging still repeats the same message of, 'Our employees are our greatest resource,' that is not borne out by Human Resource Management departments in the 21st century.

To begin, it is important to understand the scope and definition of Human Resources. Broadly, HR is the practice of developing human potential in step with an organization's strategic vision. HR is responsible for managing personnel and providing guidance in recruitment, hiring, and employee termination. They also ensure labor laws are obeyed, manage pay and benefits, training, and facilitate performance reviews. This is the "dominant approach to people management" (Vani 128), and it works for corporations because they can apply company-wide standards to labor practices. This also frees up managers' time to monitor productivity rather than deal with personnel management. So Human Resource Management provides a critical function to companies and employees. According to Gupta Vani, an Assistant Professor at Telangana University's Department of Management, there is:

> …a link between the practice of HRM and organizational performance, evident in improved employee commitment, lower levels of absenteeism and turnover, higher levels of skills and therefore higher productivity, enhanced quality and efficiency. (128).

This link also reflects a disconnect between the role of HR and the actual function of HR within a company. As Keith Hammonds points out in his “Why We Hate HR” article, HR departments have limited or no role within the strategic development of a company (40). They are responsible for managing the company’s most important resource, people. But in most organizations HR plays no role in business strategy or change management. Instead they are responsible for “standardization and uniformity,” a “one-size-fits-all” approach to recruiting and retaining exceptional employees (44). This is something Hammonds identifies as an inherent contradiction: how can you maintain standardization in a “complex” and competitive workforce? (44). If you want exceptional people, why insist on hiring the people who best fit the bureaucracy of an organization, rather than the people who can help move the company forward into excellence?

These contradictions in people management did not happen overnight. The disconnect is the product of huge workplace changes, both economic and cultural, during the 19th and 20th century. The early development of what has come to be known as ‘human resources’ did not begin with recruitment processes or union negotiations. Instead, early workforce studies were conducted by experts such as Elton Mayo and Frederick Winslow Taylor, and two streams of thought developed about company/employee relationships. Mayo advocated for the social welfare of workers and the development of “soft skills,” whereas Taylor focused on scientific management, or the development of “hard skills” and quantitative results in production and efficiency (Collings and Wood 22). These two approaches largely determined the philosophy of worker relationships throughout the rest of the century.

The explosive growth in efficiency studies and scientific management schools in the 20th century was not accidental. It offered a model for companies to increase production and eliminate waste and time theft. By "asking managers and employees to focus not on the division of the surplus but increasing the size of the surplus," the scientific analysis of worker performance offered a way for factories and industrial plants to monitor their workforce and implement standard goals (Mcleaod 134). 'Hard skill' development, or what the worker could produce, was considered the only measure of value. Those who did not measure up were dismissed. The organization of the workplace became strictly hierarchical (Vani 130). More and more levels of management were created to monitor worker performance and formulate company goals, and Human Resource Management was created to hire, manage, train and support employee management. Today's HR departments measure their own performance by the standards of scientific management, according to Keith Harrison (43). He says that HR departments "pursue efficiency in lieu of value" and puts more emphasis on "activities," such as the number of employees hired, or the number of hours spent in training classes, not deliverables (43). By emphasizing activity over value, there is a big piece of the success puzzle missing: the connection between human capital and corporate directives.

What causes this fundamental disconnect? In "Why We Hate HR," Hammonds introduced three main reasons. They are 1) a lack of qualified HR personnel who understand business strategy and change management, 2) a misunderstanding of the purpose of HR within corporate structure, and 3) a lack of strategic partnership between the corporation and HR. These problems lead to massive problems within the HR industry. Hammonds warns that, unless significant changes are made to the way HR departments function, most companies will outsource the core duties of HR entirely (46). And why not? If all HR provides is payroll management, recruiting, and worker training, those duties could easily be handled by a subcontracted company, not internally. If HR were to actually provide qualitative services that help shape corporate strategic vision, then HR might actually have a purpose that could not be replicated or outsourced. Paul Johnason makes this point in his 2009 article, "HRM in Changing Organizational Contexts." He says that company HR departments must be flexible and proactive, not reactive, and they must engage employees, not alienate them, linking job directives with company objectives (134). In other words, HR must make employees feel like they are part of the growth and implementation of a company's vision, not just people who show up to work and have no stake in the outcomes. To do so, HR must have a role in strategic business development. They need to be part of the company vertical, not a departmental afterthought. And they must align to their company's needs, values, and directives.

Unfortunately, very few companies have HR departments that can do this. In Bill Taylor's 2010 response to Hammonds' article, "Why We (Shouldn't Hate) HR," he identifies three companies that have great HR departments: Cirque du Soleil, movie production company Pixar, and a kidney-dialysis provider called DaVita. They all have HR companies that ensure that people are the focus, not talent evaluation (Taylor). They also employ unique training and retention methods that involve all employees in the company, not just those in silo departments. These companies also pay attention to the kind of HR issues, like communication and 'soft' people skills, that "signal the health of the entire organization" (Taylor). By identifying what unique elements of a company attracts talented professionals, HR departments can help a company develop a core culture and smart business directives. By playing a role in strategy development, HR departments not only make themselves invaluable, but they improve corporate culture and drive performance. They go beyond objective performance metrics. These measurements may not have anything to do with a company’s success. Instead, HR departments can achieve qualitative results. This is especially important in large, cutting-edge companies that compete for a very small pool of talented workers, like Google, Pixar, Procter & Gamble, etc. These companies are “truly bringing human resources into the realm of business strategy” (Hammonds 46). However, most modern companies fail badly at moving HR standards beyond quantifiable metrics and into qualitative success. In the example that Hammonds gives of Libby Sartain, the chief people officer at Yahoo, this point is illustrated. In 2005 Hammonds praised Sartain as a creative HR “maverick” who “helped build the table” to take Yahoo to the top of the high-tech heap (46). She was praised as one of the highest-profile human resource leaders in the United States. But Sartain left Yahoo after seven years under a cloud. She was unable to initiate any meaningful change in the company’s culture, and the only measure she gave of her success is that she “shepherd[ed] the firm’s rapid growth in personnel, from some 3,000 employees when she arrived to 14, 300” (Workforce.com). This is exactly the kind of ‘activity over deliverables’ that Hammonds criticized in his article. Yes, the company expanded. Yes, it added more staff, and more layers of bureaucracy and impersonal internal policies. But what did the HR department at Yahoo actually accomplish, even under someone as talented as Sartain? Nothing qualitative. And now Yahoo is a company on the brink of collapse.

So, as Hammonds’ article reaches its 10-year anniversary, what changes can be made in the HR industry to reverse this backward trend? Hammonds has a few answers. He says that HR staff should be recruited not because they “want to work with people,” but because they have a high degree of business acumen and a background in strategic planning (46). Hammonds warns that the “best and brightest” do not go into HR, so clearly the education and training process for Human Resource Management programs needs to change. To encourage more successful and qualified people to go into HR, schools need to rebuild the image of the division. One element that Hammonds did not mention in his article is how gender affects HRM. It is seen as a “woman’s division” within a company, and is therefore less likely to be a path to promotion to C-level executive status (Johnason 35). HR reps are also poorly paid in relation to the rest of the company (Collings and Wood 46), and they are often in charge of “planning company picnics” rather than playing any meaningful role in strategic planning (Hammonds 44). Female staff are often relegated to social planning committees and this is certainly not unique to Human Resource departments, but it does perhaps indicate why HR is seen as a corporate dumping ground and not a pathway to success (Hammonds 42). Business schools can address this gender issue by encouraging more men to go into the profession, which in turn has positive benefits for female employees by raising wages and improving chances for promotion (Vani 133). By raising the profile of HR and improving education in business skills, as well as employee growth and development, this issue of HR people having the wrong background could be solved.

Another issue Hammonds brings up is HR needs to change its measurement metrics to reflect value, not efficiency. He suggests that there should be a stronger link between employee measurement to business performance. This could be achieved by getting employees more invested in their working lives, and involving them in forming the strategic vision of a company. More involvement (facilitated by HR) could help give employees the necessary push to add more value to a company, and not just in terms of production (Hammonds 43). By addressing the day-to-day working conditions of employees, by helping to facilitate communication up the company ladder, and by making each employee feel valued and respected, HR will help link employee performance to value added to a company. Although this is harder to measure, and require more planning and time, measuring performance value over production can give real insight into what employees contribute. This in turn makes HR indispensable rather than an expendable department whose tasks can easily be outsourced.

Another thing HR departments can change is to cancel the image that HR only "protects [the company] against their own employees" (Hammonds 44). This is an image problem for HR departments everywhere. While HR is seen as a resource, a point of contact if there is conflict between employees, HR is also viewed as a protector of the corporation, not of individual workers. So if there is workplace harassment, for example, HR will make the decision that benefits the company, not the worker. This perception must change, and the change starts with HR. It needs to throw out the focus on "standardization and uniformity" and learn how to make exceptions to the rules, to make employees feel like people instead of pieces of machinery (44). In fact, the solution to most of the problems Hammonds points out in his article could be solved with connection. Connections between the workers and HR staff, between HR and the corporate entity, between human capital and strategic planning.

In conclusion, very little has actually changed in the HR industry since Keith Hammond's inflammatory 2005 article "Why We Hate HR." Departments still focus on scientific management and objective measurement of employee performance. HR staff are not being recruited for their people skills, not business skills. And there is still a pronounced disconnect between strategic development and human resources. Until these problems are addressed through innovation and education, through cultural changes in the workplace and a new emphasis on value over product, the Human Resources field will continue to struggle against its own inevitable obsolescence.

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