



The Forgotten Position: Human Resources in Small Business

By Jennifer Newble

The development of an organization relies heavily on upon, the mission, the vision, the culture, the departments orchestrated and the leader's approach to the business needs. The stereotypical departments that come to mind are Operations and Marketing and Development. Accounting and Billing even take precedence over the most forgotten department - Human Resources. Human Resources is responsible for the hiring and development of new incumbents into the organization, the Human Capital, the Worker Bees. The overseer of human resources in small organizations is typically left up to the Operations or Accounting Manager, although they are not prepared nor have the time to be fully engulfed in the day to day responsibilities of human resources, they are leaders charged with all thing's employee relations. Research indicates from SHRM (Society of Human Resource Management) that over 50 percent of small business owners rely on managers to handle employment issues; however, CEO's are realizing that human resources should be handled via persons educated and more versed in the realm of employee relations as this provides the availability of CEO's and leadership to focus on other functions of the organization.

Human Resources is ultimate, the heartbeat of the organization; albeit, in many small organizations, not even determined a function. Small organizational leaders have made the mistake of placing human resources responsibilities in the hands of the wrong individuals, thus individuals not properly trained on the subject. Organizations that have at least 25 employees and

heavily budgeted should consider having an outsourced Human Resources Representative or someone on staff that has some human resources training. Once an organization reaches over 75 employees, there should be an in-house human resource employee that is educated and trained to handle employee relation matters, including recruiting, documentation, employee/leader coaching, and benefits administration, typically titled an HR Generalist. It has been discovered that the most underdeveloped small organization has one Human Resources Representative; however, they are deemed as the “firefighters” a dumping ground for all things HR, and not important until it is time for someone to be fired - the thankless job that a manager does not want; however, is determined to be the only decision-maker in the hiring process. Human Resources is more than a dumping ground, its terminology dates to the 1960s when labor relations and unions became a hot topic, along with the establishment of selection processes and organizational development.

Although Human Resources is not a revenue-generating position, as small organizations grow, it is essential to not forget about the morally competent and ethical aspects that human resources bring to the organization: the policies that are established via this department and the standards of the organization, the policing force that saves the organization from itself. Human Resources in a small organization should contain at least the most basic of HR services for employees - as employee issues arise handbooks are excellent for communicating with employees, the expectations of the work environment. It seems all too daunting for some small businesses to take into consideration the importance of having a human resources department due to bandwidth, budget limitations, and finding the right fit because it is a multifaceted skill set. Employees being a critical component of the organization needs a liaison that serves as a servant leader that monitors their training and development, appropriately interprets the laws for compliance, and engages the workforce.

For developing small businesses, the human resources department typically includes payroll, benefits administration, employee relations, in addition to tax laws, and recruiting/on-boarding. The strategy of human resources and the definition of what human resources handle will vary from organization to organization and the structure and size will fluctuate depending on the organization’s goals, ideally, the organization's goals and human resources strategy should be linked. Dismissing the importance of human resources can harm the organization and the benefits of human resources assist in the growth and success of the company. In-house human resources provide the availability to maintain control over the workforce and the culture. Organizations lose employees due to disliking human resources policies or the lack of communication from human resources. Human Resources serves as the face of the organization upon new hire and remains as the liaison during ongoing employment.

About Author: Jennifer Newble has worked in the field of Human Resources for over 10 years, she has worked in several fields such as manufacturing and healthcare. She has held positions in Talent Management & Development of leaders and is currently a HR Manager. Jenn holds a Master’s Degree from Webster University and will be sitting for her SHRM-CP (HR certification through Society for Human Resource Management) in February. Her passion is assisting individuals in reaching their goals, developing talent within organizations, and being a liaison for employees and leadership. She has turned her writing craft and desire into a business,

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