

A Brief History of Human Resources

Many years ago a guy (and at that time unfortunately it was) would knock on a business door and ask for a job. If he could do the work needed, he got the job. Maybe a 5 minute chat with the business owner was needed, but nothing more. The pay was taken at whatever was offered. This was the way employees came on board.

How times have changed. As businesses realised they could make more money with less people costs and jobs became something that people had to seek out and apply for in the hope that one application would be successful. Businesses soon realised that they would be able to choose from a range of potential employees but they needed someone to work out who was best. This led to people being involved in the hiring of staff.

There has also been a rise in unionization and collectives within the workforce that needed to have outlets and communication routes within businesses. This led to the role of a staffing officer. Then as time progressed, legislation around workplace entitlements expanded and requirements to keep records and employee details came in for consideration. Similarly the tax man came along and said that employers had responsibility for deductions from pay and Personnel Departments developed.

Personnel departments ran for a number of years within most business. They were the staffing side of the business, hiring, firing, appraisals, industrial relations, payroll and employee records. For close to 30 years this was the way things were in most businesses. As the businesses grew into corporations and more and more staff were employed then these large businesses were finding the need to restructure, reorganize and with the advent of company mergers and takeovers, this requirement became greater and greater.

Businesses had also realised that they needed to educate people in the way they were expected to work, and in line with reorganizations and relocations of staff, these people needed appropriate training and so training departments evolved or training resources were identified externally.

It was around the middle of the 1980's that Human Resources or HR as it is more often abbreviated to, began to establish itself. It was quickly realised that the personnel department and training functions both undertook work around the human element of the business and that putting these together formed a synergy. It was realized that there was a need for the consideration of the workforce when planning business change, organizational changes, restructuring and the need to educate and for the staff to learn what was happening. In effect the strategic direction of the business needed to consider and reflect the people as the largest asset of any business. Human Resources Management and HR directors came into being, providing executive level interaction or even higher and the establishment of Human Resources was fully accepted by the 1990's and taken forward since to include all aspects of a business that applies to the people within that business.

In the latter part of the 1990's and into the early 2000's there has been a further evolution to take the HR role back to the business managers. The decisions and actions being taken near to the people with the old style HR divisions being streamlined into a more consultative role provided knowledge and best practice guidelines but only interacting at a strategic level. HR Business Partners and internal HR consultants are now the more prevalent model, with the HR administrative actions being undertaken at the front line of the business.