

Why is HR so important in your business?

August 7, 2022

Written by : Karla Sasia, S.M.

Human resources oversee the most important component of a successful business a productive, thriving workforce. This requires viewing people as human assets, not costs to the organization. As with any other asset, talented work can be used strategically to add value to an organization. In practice, businesses and organizations depend on three key resources ;

1. Physical resources; such as materials and equipment
2. Financial resources; such as cash, credit, debt
3. People

There can be no doubt that people play a very big role in organizations or businesses as a resource. Having a thorough strategy, a marketable product or service, and efficient processes are all important, but all of this depends on the ability of the people within the organization to execute strategies, plans, and processes to make a business successful.

A successful HR department can develop an efficient recruiting process and enhance the overall productivity of a company. Nowadays more and more business owners realize the importance of HR departments in creating an efficient organization. Although most company directors or owners are aware of the benefit of HR, they don't know how to measure its effectiveness. Moreover, they don't know how to improve HR effectiveness after evaluating it.

It can be easy to overlook HR in a small and medium enterprise. Many entrepreneurs get their businesses off to a flying start but grapple with people management as the business starts to flourish. Managing staff takes time and requires skill. HR is an area of expertise many business owners lack.

Regardless of skills, the value of HR in business isn't always immediately apparent. With just a few employees, business leaders feel like they have their finger on the pulse when it comes to the people they hire and manage but as the business grows, leaders often find there just isn't time to deal with day-to-day people management and recruitment and the focus on people can easily get lost. This is a costly mistake and can affect employee satisfaction, culture, and long-term success.

HR performs task more than just recruiting employees or processing employee payroll, instead HR help develop your business strategy and handle employee-centered activities. Every single strategic human resource planning process I know has some sort of linkage with a business planning process although the reverse is not always true. Linkages are always made but not in the same way across companies (Jones, A & Jones, P, 2011). The reason why HR is considered important in business :

1. Budget Control

HR develops methods for cutting costs associated with workforce management, thereby limiting overspending and helping to save money in the long run. HR has a role in negotiating better rates for employee benefits such as health insurance.

2. Employee Satisfaction

In a business with multiple employees, it's important to measure the performance of employees. HR has the responsibility to determine if employees are satisfied, not only with their boss but also with the work and tasks that are being performed.

3. Training and development

HR has a role in providing an assessment of employee performance in a business. Determine the type of training and skill that employees must have to be able to carry out their duties effectively and efficiently.

4. Conflict Resolution

There will be conflict in the workplace, regardless of how satisfied employees are with their jobs, their managers, and their coworkers. Given the diversity of work styles, personalities, experience levels, and backgrounds, there will be many arguments. Don't rule out the possibility of conflict between employees in your business,

5. Improve Performance

Another responsibility of HR is the development of a performance management system. Without HR experts to devise a plan that measures employee performance, employees can end up in jobs that do not match their skills and abilities. Your business can be harmed if employees cannot work optimally because it is not in accordance with their expertise and skills. So it is important for you to be able to map the skills of each employee.

From improving internal relationships within the business and developing methods to ensure high-performance standards to resolving conflicts among employees and ensuring the company stays within its budget, there are at least five reasons why HR is critical to business success. That's the reason why HR is very important in your business.

REFERENCES

Jones, A., & Jones, P. (2011). "Making an impact": a profile of a business planning competition in a university. *Education+ Training*.

[https://www.shopify.co.id/encyclopedia/human-resources-hr#:~:text=What%20is%20Human%20Resources%20\(HR\)%3F,firing%20employees%20and%20independent%20contractors.](https://www.shopify.co.id/encyclopedia/human-resources-hr#:~:text=What%20is%20Human%20Resources%20(HR)%3F,firing%20employees%20and%20independent%20contractors.)

[5 Alasan Human Resources Sangat Penting untuk Membuat Bisnis Kamu Sukses](#)