

Is Your HR Department Friend or Foe? Depends on Who's Asking the Question

Talk to human resources professionals, consultants and scholars who study the workplace and you will find two different views of HR.

According to its critics, HR departments can be needlessly bureaucratic, obstructionist, stuck in the "comfort zone" of filling out forms and explaining company benefits, and too closely aligned with the interests of management yet lacking the business knowledge to be effective strategic partners. Dealing with these types of HR departments "is like going to the dentist," says David Sirota, author of [*The Enthusiastic Employee: How Companies Profit by Giving Workers What They Want*](#) (Wharton School Publishing). When people are asked to rate the quality of different functions within their company, he adds, "IT and HR are repeatedly rated the lowest."

The more positive view of HR is that it works directly with senior management, providing crucial input into major business transactions such as mergers and acquisitions and restructurings. In this scenario, HR departments have moved away from the traditional role of administrators -- many of those responsibilities are now outsourced -- to a more creative focus on their prime role, which includes recruiting talent, promoting mobility and career development, and improving organizational effectiveness. "I would not choose HR as a career if we couldn't be a strategic partner with the business," says Kathy Gubanich, managing director of HR at The Vanguard Group. "HR is fortunate to report to the CEO of Vanguard.... If we didn't, it would mean HR's priorities are being set differently."

[Peter Cappelli](#), director of Wharton's [Center for Human Resources](#), recently led a discussion at the Center focused on the question: "What is the role of HR now?" From the 1920s on, Cappelli says, HR was seen as a way to advocate for, and protect, employees -- an orientation that became "quite explicit in the 1950s and beyond as part of an effort by management to prevent unionization." But more recently, and especially over the past decade, the threat of unionization is much less widespread even as technological advances have made employees more expendable. The "social contract" between employee and employer -- in which companies provided lifetime employment to its workers in return for loyalty and commitment to company goals -- has ended.

These days, employees are afraid to quit because of the tight labor market and reluctant to complain about increased work loads for fear of being laid off, says Cappelli. "Companies are pushing more and more work onto employees, and HR departments are becoming the mechanism for doing that. As a result, the idea that HR people are there to represent workers -- or at least deal objectively with their concerns -- is pretty much gone." In addition, with companies continuing to cut back employee benefits such as healthcare and pensions, HR departments have found themselves "increasingly the bearer of bad news to employees."

Meanwhile, HR issues are very much a part of the press's business coverage, whether it's Hewlett-Packard's recent announcement that it is laying off 14,500 employees (including a number of HR positions) or the breakdown of talks between Citigroup chairman Sandy Weill and Citigroup's board over the retirement perks available to him under his contract. Weill, who is reportedly interested in starting a

private equity fund, had earlier committed to staying on as chairman until April 2006.

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