

# The HR Abyss – Pitfalls and Possibilities

**Adam Kreuzer, Director World HR**

Traditionally referred to as 'Personnel Management' in the 1970's, HR is now a commonly used business acronym for 'Human Resources', relating to the provision of Human Resource Management services within an organisation. World HR believes that 'HR' relates to anything and everything that occurs within the 'employee lifecycle' of an individual.

## **What is the employee lifecycle?**

This refers to the journey that occurs for an employee from the very first interaction that occurs at your initial recruitment process, right through to the last interaction they have with your business at the time of exit, whether that be via termination, resignation or redundancy.

The HR opportunity is to ensure that each stage of the employee lifecycle is managed in the most efficient, valuable and meaningful way possible, using best practice HR techniques.

## **What is "HR" all about anyway?**

Many Australian business owners typically hold a largely traditional and antiquated paradigm of what "HR" is all about. This is completely understandable and somewhat expected, given that for most business owners in the small to medium enterprise (SME) sector, the only exposure they've had to HR processes are predominantly relating to what is typically referred to as "hiring and firing". Their businesses simply haven't had the size, complexity or scale to require any broader HR processes to be harnessed. However, the workplace legislative landscape has changed so significantly over the last decade that business owners can no longer ignore the importance of broader and more comprehensive HR processes for their business.

The new breed of business leader seems to understand the HR challenge well.

According to Adam Wiser, Managing Director of MindAtlas (cutting-edge digital learning and performance specialists) *"the biggest risk in not setting up sound HR practices is most definitely letting down my staff. Each employee has the right to work in an environment where their HR requirements are met, which includes everything from payroll and superannuation practices, to training and development, to working in a harmonious and accepting workplace. To me, HR is about taking care of my employees and ensuring that we are doing everything right for them"*.

## **How can business owners benefit from HR?**

World HR believes that businesses which are passionate about their HR practices should be given easy access to experienced HR industry experts via virtual and / or onsite means in a way that works best for them. This offers a revolutionary, new age alternative to the traditional HR approach, as it results in businesses receiving HR support, advice and guidance as and when they need it most.

## **How can your business benefit from these “HR department” services?**

Why not have access to HR services, as and when you need them via fully outsourced means. Just as you would utilize a Lawyer, Accountant, Doctor, Insurance Broker, Electrician or Plumber, you should consider having access to an outsourced “HR department on tap” as a realistic and cost-effective priority for your business. Simply turn it on and off as required, in line with your specific HR needs.

According to Marcus Simkin, Chief Executive Officer of Myriad IT (a high-growth technology services company which specialises in providing high quality, cost-effective IT solutions), *“most small businesses do not understand the value of strong HR process and practices and they forget that people are what make the business. It is important to have documented HR processes and policies that the business can rely on when needed”*. Marcus goes on to say that *“initially, most businesses think that they will never need HR policies and processes until the time comes when they are not in place and they need them most. This is when it can turn into a very costly exercise both financially and culturally on the business, turning a once thriving business into a shadow of what it once was – and very quickly”*.

## **What should your business focus on as a bare minimum from an HR perspective?**

If you do nothing else from an HR perspective for your business, you should as a bare minimum ensure that:

1. Your business has legislatively compliant staff employment contracts that align to current Fair Work requirements and National Employment Standards.
2. Your business has a set of comprehensive core HR policies to mitigate workplace risks such as bullying, harassment and discrimination.
3. Your business has a clear set of position descriptions to ensure role clarity and team effectiveness.
4. Your business has a simple yet effective process to manage, appraise and reward the performance of your staff.

Benjamin Kohn, Director of Link Financial Services (an innovative financial planning firm), believes that by not focusing on and prioritizing your HR activities *“you could lose*

*key staff, which could destabilize your clients, and cause harm to the long term success of your business. HR is the cornerstone of a good workplace culture and professional development framework. Investing in our HR platform has assisted us with retaining great staff, enabling them to nurture and develop their skills, and most importantly contribute to a fantastic working environment”.*

Management guru Peter Drucker says that “*management is doing things right, (whereas) leadership is doing the right things*”. Heed the lessons of successful business leaders by doing the right thing for your business. Prioritise the strengthening of your HR practices for long-term success. You won’t regret it.

**About Adam Kreuzer:**

Adam Kreuzer has completed a Bachelor of Business (Management) and a Graduate Diploma in Industrial and Employee Relations, both at Monash University. Prior to establishing World HR in March 2012, Adam held significant HR roles over a 16 year period, at leading organisations such as the National Australia Bank, Coles Myer Limited, Telstra, AXA Asia-Pacific Holdings, BearingPoint Management Consulting, CPA Australia and Scoopon.

Adam Kreuzer can be contacted via: [adam.kreuzer@worldhr.com.au](mailto:adam.kreuzer@worldhr.com.au)