# Why is Human resource department important to a business?

**“If you want to build business, build the people.”**

**– Brownie Wise**

Why is human resource important to a business or an organization? What actually is human resource? Human resources (HR) is the umbrella term used to describe the management and development of employees in an organization. Ultimately, it’s all about increasing employee performance.

If company has 15+ employees, then overhead of dealing with human resource issues that are not directly related to business (scheduling vacations, sick days, payments processing, conflicts inside of team, hiring and firing paperwork) — requires at least one full-time person to deal with.

**That is when HR department is needed.**

Traditionally HR focused on hiring, firing and the old-school annual pay review. These days HR has been positively reframed, covering a much wider remit. Basic functions of HR include recruitment, and on boarding, [managing payroll](https://www.breathehr.com/hr-software/features-benefits/payroll-export) and benefits, holiday management, training and development, employment law compliance and safety compliance.

In addition, HR today plays a significant role in developing positive [business culture](https://www.breathehr.com/blog/what-is-company-culture-and-why-is-it-important) and improving employee engagement and [productivity](https://www.breathehr.com/blog/how-to-measure-employee-productivity), both of which are critical to business success. Employee wellness and personal development are also increasingly recognized as essential aspects of HR.

An organization cannot build a good team of working professionals without good [Human Resources](https://www.appsandreports.com/category/hr-software). The key functions of the Human Resources Management (HRM) team include recruiting people, training them, performance appraisals, motivating employees as well as workplace communication, workplace safety, and much more.

* Sometimes employees have work-based [issues and problems](https://www.thebalancecareers.com/top-toughest-hr-questions-asked-and-answered-1919031) but the company is small or they do not have Human Resources (HR) staff. Workers need someone to confide in and seek help or assistance in addressing common problems.
* Companies without formal HR departments rely on their management teams to establish workplace norms, oversee hiring and promotions, and ensure ethical behavior. But if management goes off the rails and there is no HR department that can (or is willing to) step in, the entire company can suffer.
* HR issues were the downfall of Miki Agrawal, the CEO of underwear brand THINX. One week after Racked published an expose of Agrawal’s abusive management tactics, she stepped down. She admitted in a statement that it was a mistake not to hire an HR person.

Conclusion:

“The secret of my success is that we have gone to exceptional lengths to hire the best people in the world,” said Steve Jobs, the Chairman, CEO, and co-founder of Apple.

Human Resources department acts like a spine for any organization. Its functions are usually taken for granted as all of us are there to learn. Usually, a number of HR professionals may not be as professional as expected, but do understand their jobs are more complex in nature and everyone has a right to learn at their own pace.

**“Human resources isn’t a thing we do. It’s the thing that runs our business.”**

**– Steve Wynn**