

## Human Resource SWOT Analysis

A human resources SWOT analysis considers internal and external factors that can either boost or impede the human resources functions within your organization. The acronym SWOT stands for Strengths, Weaknesses, Opportunities and Threats. This analysis can help speed your company's transition from reactive to proactive mode to enhance HR strategy and function.

### Strengths

Your organization's strengths are internal factors that enable HR strategy and functionality. HR strategy refers to long-term goals, such as building a top-tier workforce or becoming an employer of choice. HR functionality involves the operational side of HR, such as conducting open enrollment sessions for employees to select new health insurance coverage. Internal strengths for HR include executive leadership who support and promote HR strategic development. Another internal factor consists of HR staff knowledge and expertise because they are the employees ultimately responsible for carrying out tactical duties.

### Weaknesses

SWOT analyses examine weaknesses inside the organization. Weaknesses also are internal factors that pose challenges to the success of HR endeavors. Internally, budget constraints and cuts are conditions that HR often has to deal with, primarily because HR isn't a revenue-producing department. HR has to rely on sound justification to fund investments in HR activities. However, money isn't the only weakness. Low employee morale and high turnover are serious internal factors that can disrupt HR. In this case, disruption refers to immediate and reactive measures HR must take to reverse an overwhelming sense of dissatisfaction throughout the workforce.

### Opportunities

One of the most significant external factors for HR is the opportunity for workforce growth, due to increased demand for the company's products and services. More business translates into better raises or higher wages for current employees, along with growth for the surrounding community through the hiring of more workers. External factors also may present themselves as the company's ability to land a highly successful rainmaker whose business development activities improve the company's reputation or industry ranking.

### Threats

Threats are external factors that negatively impact the company and, ultimately, the HR department. When a competitor gains an edge in the market share, it affects profitability and may result in layoffs, business slowdown or closure. Other types of external threats include businesses — not necessarily in the same industry — that offer better working conditions,

wages or benefits to their employees and, therefore, recruit the best-qualified workers. HR departments can't always insulate themselves from all external factors because some are imminent. However, HR can diminish the impact of external threats through conducting routine assessments of compensation structure, surveying employee opinion on working conditions and strengthening the employer-employee relationship through showing HR as a strategic business partner that values human capital.