



Human Resource S.W.O.T. Analysis

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With many smaller sized organizations not having a full-time in-house Human Resource representative, the choice may be to outsource this function to an HR Consultant. Choosing to go this route is a wise investment. But how does one know where to start in terms of the organization's human resource requirements? Well, complete a S.W.O.T. Analysis, of course!

S.W.O.T. Analyses have been conducted by many organizations over the years. What's it stand for? S.W.O.T. is a tool used to understand an organization's:

- **Strengths** - focusing on the elements that make the organization what it is
- **Weaknesses** – minimizing/correcting areas that leave the organization vulnerable
- **Opportunities** - maximizing prospects and valuing change
- **Threats** - ensuring awareness of risks or perils to the organization

Strengths and **Weaknesses** are typically internal while **Opportunities** and **Threats** are external. A S.W.O.T. Analysis can be performed on an entire organization, but it can also be used to focus on specific divisions such as Human Resources. In choosing to outsource the human resource function, this process can prove to be a key element in achieving strategic goals in this area.

Making It Work...

An individual can complete a S.W.O.T. Analysis on their own but it is recommended to involve as many people as possible in evaluating these criteria. It's recommended that two S.W.O.T. Analyses be conducted – one with management and one with employees. The cross referencing of feedback from management and employees may reflect differing opinions and perspectives. In a larger organization, perhaps more than 30 employees, it may be beneficial to select a couple of people from each department to participate in the process to assist in keeping the group focused.

So what are the next steps in completing a S.W.O.T. Analysis on the HR requirements?

Consider the following questions:

- What practises/policies are already in effect and working efficiently?
- What practises/policies are not working well and need to be reviewed?



- What trends are occurring in hiring, employee retention, technological changes, government regulations, etc?
- What does the organization offer employees that the competition doesn't?
- What does the competition offer their employees?
- What is the opinion of customers, suppliers or vendors when they interact with employees and management?
- Do the HR weaknesses leave the organization vulnerable to employee relations issues, voluntary resignations, succession concerns, etc?
- What do employees have to offer in the way of skills and qualifications?
- Are the right people in the right roles?

Ask as many questions as possible in relation to the organization's HR **S**trengths, **W**eaknesses, **O**pportunities and **T**hreats. If customer satisfaction surveys are conducted, use the information collected from that tool to add insight, as the customer's opinions are equally as important as the organization's internal personnel.

Put the Results to Use...

An outsourced HR Consultant will work with the groups to record responses and then openly discuss the results with the parties involved. The next step is to work through each point made, prioritize and rank them. Then determine what can be done to maximize the **S**trengths and **O**pportunities and minimize the **W**eaknesses and **T**hreats. Evaluate and assign a level of importance from 1 to 10 to aid in creating action plans for each item, delegating responsibilities for each. Regular follow up by the HR Consultant and management on the progress of each item is critical, remembering to maximize all resources during the process. It's important to review these areas on a quarterly basis to re-asses and create new action plans if necessary.

S.W.O.T. Analysis can assist in identifying areas of weakness and potential threats to the organization's HR. Therefore, be honest and realistic in determining each element - deal with the weaknesses and threats head on rather than avoiding them. There's no point in finding out later that the competition is ahead of the game because complete honesty wasn't applied to the process. It's better to be realistic now than having to face the pitfalls later on. When considering the opportunities, take a look at what is occurring today as well as what could occur in the near future.



Conclusion...

When determining the **S**trengths, **W**eaknesses, **O**pportunities and **T**hreats of the human resource needs, consider where the organization is in terms of the following:

- Employee and management hiring/retention levels
- Economic and market changes
- Physical working environment
- Technological trends and changes to the industry
- Government regulations and political changes
- Customer satisfaction

Honestly and openly evaluating the organization's HR requirements will help the business stay ahead of the competition, while maintaining and striving towards the overall strategic goals.

Remember to take time to maintain strengths, correct weaknesses, take action on opportunities and deal with potential threats.

Dinah Bailey is the principal of HR ByDESIGN and has over 10 years experience in human resources. Her experience has granted her an appreciation of what it takes to efficiently streamline HR in smaller businesses. To capitalize on your organization's Human Resources, contact Dinah at 905-452-8813, email hrbydesign@rogers.com or visit online at www.hrbydesign.ca for more information.