

Top 11 HR Challenges

The [human resource \(HR\) department](#) of every company has an impact on almost every aspect of the business, most specifically on its workforce. A significant function of the HR personnel is managing and reinforcing the workforce of the company through recruitment and establishing employee relations. Aside from that, there are other challenges that every HR team encounters in their work. Each of them can cause a chain reaction throughout the company. Here are 11 of the top challenges of a company's HR personnel.

Recruitment

When we talk about HR, what mostly comes into our minds is [employee recruitment](#). Well, that's because one of the HR team's primary jobs is to meet the required human resources of the company. Recruiting employees might sound as easy as picking necessary goods in a grocery store, but it's totally the opposite. Finding job candidates who possess the right skills and credentials require a lot of research and tracking. Plus, each prospective candidate must undergo an extensive [interview process](#) and a thorough assessment before being officially hired. Even more challenging is the fact that recruitment campaigns are quite expensive. HR teams need to spend money from the company's pocket for job advertisements, job posting sites, and other necessary resources for recruitment. However, they do their best to minimize recruitment costs.

Performance Appraisals

Performance appraisal is the process of reviewing the employees' metrics, which consists of their performance ratings, contributions, attendance records, and other important records. It's basically an analysis and evaluation of everything they did in and for the company. Performance appraisal is an element of [performance management](#). The challenge of performance appraisal is that it has to be done individually for each employee. If the company has around a hundred or more employees, then performance appraisals will certainly take time. Other than that, the HR personnel, particularly the [HR manager](#), will give their professional criticism to each employee, especially those who are underperforming. Some employees might negatively interpret these criticisms, which can demoralize their work ethic.

Training and Development

Another essential function of HR teams is to enhance the capabilities of the employees. They do that by conducting and investing in employee [training and development](#) programs. Arranging such programs requires a lot of resources, especially financial, and that can be a challenge. According to an article in *TrainingMag.com*, the average total expenses of large companies for employee training programs declined "from \$19.7 million in 2018 to \$17.7 million in 2019." Yes, it's quite a significant decrease. Still, \$17.7 million is a huge amount of money. To sum it up, HR teams must invest if they want to ensure the improvement of their workforce.

Embracing Change

Changes are inevitable in every work environment. Changes, whatever they may be, are necessary if a company wants to keep up with the trends and demands of the industry. Plus, these are a [major challenge for HR departments](#). For example, if there are revisions in the company policies, the HR personnel must reorient the employees. Some of these changes are also necessary restructurings of the company's organizational structure. In that case, HR departments must revise the hierarchical set up of their employees, which could affect the operations. HR teams need to be open to changes for the sake of their company's future.

Leadership Development

[Talent management](#) is also a primary managerial function of HR departments. In that process, they implement things to nurture the talents of their employees for leadership development. Leadership development is important for the company to have independent employees who can make sound decisions for the benefit of the business. It's a challenge because not every employee has a built-in skillset and the experience to become leaders. They need further training and experience, which surely takes time.

Developing Employee Handbooks

As we all know, excellent communication is a basic practice of every organization, especially when it comes to relaying policies and guidelines to employees. Since [policies and guidelines](#) must be strictly followed, employees must always have a copy of them. For that reason, HR departments should distribute employee handbooks. However, developing such handbooks is a challenge. They need to be concise, precise, and in accordance with the company's standards. And if there are certain changes in the company policies, handbooks need to be revised and redistributed to the employees.

Employee Well-Being

The well-being of the employees should be a top concern for HR departments. The reason for doing so is simple. If the employees' wellness isn't taken care of, their morale to report to work, perform, and produce is low, which derails the operations of the company. Other than that, if the employees are in jeopardy due to a hazardous workplace, that is a breach of specific labor laws regarding employee's health and safety. The challenge for the HR personnel is to ensure that the employees' well-being is being managed effectively without compromising the business.

Effective Use of Technology

Countless software programs are sprouting in the technology industry that digitalizes the HR process. In other words, the HR process is undergoing a [digital transformation](#). These programs make the jobs of HR personnel easier and faster, especially in terms of tracking and recording. The challenge, other than being quite expensive to purchase, is teaching each HR staff to use these software programs effectively. Some HR programs seem to be sophisticated at first encounter. However, they're manageable to operate once an individual gets the hang of them.

Employee Benefits

Employee benefits are mandatory labor expenditures because labor laws mandate them. Companies are doing whatever they can do to minimize costs. That said, it's a challenge for HR departments to include employee benefits in the [payroll](#). According to a 2018 survey by the Bureau of Labor Statistics, \$11.60 is the average hourly cost to accumulate for each employee benefit. That's around a 20% additional expense for the averaged hourly salary.

Keep Update with Changing Laws

According to LaborLawCenter.com, "hundreds of labor law changes occur each year, on average." Since this is the law we're talking about, HR departments must follow them strictly. A significant number of these law changes can be a challenge not only for HR departments but for the entirety of the companies. Labor law changes can force businesses to revise the way they run their operations and manage their employees, regardless if it's favorable to them or not.

Workplace Diversity

Many entities recommend workplace diversity because it allows HR teams to locate talent easily. Plus, it can inspire creativity and open-mindedness in the work environment. However, workplace diversity has its challenges and risks as well. Not all people from different places and cultures will agree with one another. Put them in the same workplace or team, and conflicts can potentially arise between employees. Remember that people from different demographics have their own set of stereotypical values and traits. Not all of them are open to people outside of their demographic.

Challenges are always bound to occur in every organization. No matter the degree of their difficulty, every HR department must face any challenge for the betterment of their respective companies. By following proper guidelines, standards, and practices, there's no reason for an HR department not to conquer the challenges pressed on them.