



**WORKMATES**  
by HR Cloud

# The 12 Most Common HR Mistakes + How to Avoid Them

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This article will discuss the 12 most common mistakes made by HR professionals. We will give a detailed guide on how to avoid these mistakes in your business.

A mistake in Human Resources can greatly affect the entire company. It becomes crucial to be proactive and find the mistakes human resources are making before they cost unwanted results. The HR department is responsible for protecting the company from challenges that can harm the company's reputation. To build a strong impact in the market, it is important to know where human resources can make mistakes.

This article will discuss the 12 most common mistakes made by HR professionals. We will give a detailed guide on how to avoid these mistakes in your business.



# 1. An Outdated Employee Handbook

If the employee handbook is non-existent or outdated, it can cause several problems, such as lawsuits against the company and increased employee violations. An employee handbook forms the foundation of any business/company and helps employees know the rules and what they can count on. An employee handbook defines how work is done and other requirements such as the company's policies, working conditions, and expectations.

A well-organized and updated employee handbook helps businesses to minimize the challenges related to lawsuits and claims. It also helps to avoid misunderstandings caused by poorly-written policies.

To avoid the issues caused by an outdated employee handbook, add all the requirements and company policies to your employee handbook annually. By providing all the current do's and don'ts in writing, you can avoid harmful HR mistakes that can damage the company's reputation.

An employee handbook that contains the company's all policies and guidelines can provide a framework to ensure that the policies are well-implemented and increase expectations for employee conduct. Your company's employee handbook must include the following information to give the employees a detailed outline of the working environment:

- **Safety guidelines**
- **Social media guidelines**
- **Communication Guidelines and policies**
- **Attendance policies**
- **Harassment laws**
- **Code of esthetics**
- **Guidelines for the company's culture**
- **Non-discrimination policies**

## 2. Inappropriate Job Training

Professional and appropriate training is compulsory to grow employees with your business. To ensure the positive output from the employees, provide the proper development and training of different skills (for example, run a training on Microsoft Office or leadership skills).

Lack of proper training is a common mistake Human Resources makes, leading businesses to unwanted results. Ensure appropriate employee training when they join your team to avoid these issues. Proper development and onboard training can help employees to work more efficiently and avoid future challenges. Training classes can help companies share their code of ethics, cultural values, and expectations with the employees to work accordingly.

Most small businesses promote the workers without providing them with appropriate training, leading to unexpected results. It is not the right decision to entrust leadership positions to any person without providing them with adequate training necessary to tackle workplace challenges.

This mistake affects the company's reputation, employee retention, productivity, and engagement. Every business must ensure the onboarding and training process to build a long-term and effective relationship with employees. It is compulsory to train the employees in the following skills to get your desired outcome:

- **Communication skills**
- **Team Work**
- **Coaching Skills**
- **Critical Thinking**
- **Expertise in word processing and spreadsheet programs**
- **Proper Visioning**

Businesses can integrate with different institutes to optimize their development and training programs. Ensure new hire onboarding in small steps to assimilate the new employees into your existing team.

### 3. Lack of Proper Documentation for Poor Performance

Documenting poor performance issues help businesses to improve their employees' efficiency. It becomes even more crucial when terminating the employees for their poor performance. Businesses should maintain progressive discipline policies to give employees a chance to perform better. Proper documentation helps human resources wisely decide whether to terminate the employee or not. If human resources don't implement proper documentation to highlight the poor performance of employees, it can lead to unnecessary terminations and discrimination complaints.

Businesses must ensure the following steps to avoid issues that may cause due to lack of proper performance-based documentation:

- If an employee is not performing well, give them a verbal warning by discussing the specifics of their bad performance. This verbal warning should be documented and placed in the personnel file of the relevant employee.
- Discuss the written information about employees' bad performance with the HR members. Meet with the employees and inform them about their performance, the course of action, and the results of their non-compliance.
- Give a final warning to the employees if they are not performing well before terminating. If the employee is not working effectively even after the final warning, notify them with a written and dated termination document.



## 4. Improper Management of Employees' Data

An accurate employee record and work history are crucial for efficient results and compliance. Although keeping the record of employees at the workplace is not easy, it can save businesses from harmful results. Proper management of employees' data is necessary because it contains your employees' sensitive information such as contact information, license number, bank account information, passport copy, social security number, medical information, and other credentials. Improper data handling is one common bad practice made by Human Resources. Discussing your employees' data with anyone can put businesses in hot water and employees at severe risk. Businesses should ensure secure protocols to collect, manage, and store the sensitive information of their employees.

Your business manager should ensure collecting audits of your employees' files to keep the records secure and up-to-date. Businesses should keep the following things in employees' records:

- **Employees handbook**
- **Job application**
- **Updated resume**
- **Enrollment papers**
- **FMLA ( family medical leave Act) information**
- **W-4**
- **Offer letter**
- **Employees' compensation documents**
- **Training records**
- **Confidentiality agreements**
- **ADA paperwork**

Ensure the proper documentation of your employees' records and make it easily accessible for the relevant employees.

## 5. Outdated Hiring Processes

The outdated hiring process is another common mistake made by HR professionals. Interviewing and hiring the perfect candidate for the position can take much time. But implementation of the right and progressive hiring policies can help recruiters to select an ideal candidate for your company. Businesses need to implement deliberate, advanced, and consistent interviewing and hiring processes that include a complete job description, an ideal profile of the candidate, and measurable interview questions to get the right talent for the right positions.

To make your hiring and interviewing processes effective and reliable, you need to consider the following factors:

- Do the selected candidates have the necessary education to perform the duties effectively?
- Do they have necessary soft skills such as team building, communication, and negotiating?
- Do the candidates have any previous experience in the relevant field?
- Can your selected candidates fit well with your current team, and how can they benefit your company?

When interviewing, the hiring managers should limit certain questions, such as asking about the candidate's religion, age, and other personal information. They can cover the following topics during the interview process to build a friendly connection with the candidates:

- Ask about the candidate's adaptability, such as how they can handle the challenges in the workplace.
- Ask about what things they consider when making difficult decisions
- How effectively they can deliver reliable customer services

## 6. Overlooking Employment Rules and Regulations

Small business owners can greatly benefit by maintaining compliance to employment laws and regulations. But most HR managers ignore employer liability and compliance, leading to severe penalties and litigation. Businesses must keep up with the employment laws and rules to avoid harmful results.

The following agencies and areas ensure businesses follow employment laws and regulations:

- **Department Of Labor**

Keeping the record of employment in the labor department is essential. These laws ensure the proper hour and wage division. The laborers should receive overtime if they work more than 40 hours a week, and the overtime pay rate of the employees should not be less than 1.5 times their monthly pay.

Avoid making assumptions about wage and hour division without consulting the department of labor, as it can cost penalties and damage your business' reputation. Be extra careful to record employees' actual working time and overtime.

- **Internal Revenue Service (IRS)**

It is important to keep track of Internal Revenue Service (IRS) regulations, including annual reports of health coverage and business taxes.

- **Occupational Safety and Health Administration ( OSHA)**

The OSHA department determines employees' education and assistance standards and sets rules for employees' training and working conditions.



## 7. Poor Procedures for New Employee Onboarding

The interview stage is the first step in a successful hiring process, which is followed by orientation and finishes with the employee beginning their new job. Did you know that a successful onboarding process increases the percentage of new hires who stay with the company by 82 percent and increases productivity by more than 70 percent?

When starting in human resources, it can be challenging to determine where and how to make hires. If you do not have adequate knowledge of the recruiting process or the hiring methods your company will require in trying to obtain the best candidates for a job, you might well have been using poor job descriptions.

This may be the case because you do not know how to get the best candidates. Because of this, there is a significant possibility that you will hire people of low quality who are not likely to be a suitable fit for your organization's culture.

It is essential to have sufficient information on the resources you will require and the recruitment strategies that will be most effective for your company to have a successful hiring process. You should also understand what talents are needed, how many individuals you may hire in the not-too-distant future, and whether or not particular positions require you to publish the job openings externally.

You have access to various human resources (HR) tools and other resources that can assist you with hiring. You might consider investing in a recruitment agency if your finances are flexible enough. Alternatively, you could purchase HR software to help you streamline the process of finding candidates, evaluating them, and conducting interviews with them.

## 8. Hiring Mistakes

Avoid using particular terms and topics in job postings and interviews, as doing so could lead to a lawsuit alleging hiring prejudice. During the hiring process, you could be tempted to start a conversation and ask personal questions. Still, you should avoid giving in to this temptation and instead focus on inquiries about the open position.

If you don't need to do so, you should never inquire about or make a note of an applicant's race, gender, religious affiliation, age, or country of origin. Use a separate sheet that is maintained differently from application files, even if the use of the sheet is mandated by rules governing affirmative action. It is strongly recommended that nothing be written on any applications or resumes.

It is crucial to have an up-to-date employee handbook and liability insurance coverage to protect yourself against potential claims related to employment issues. EPL insurance protects businesses from certain legal liabilities, including accusations of discrimination, reprisal, workplace bullying, and sexual harassment.



## 9. Ignorance of the Importance of Training

Businesses need to invest in their employees by providing training opportunities so that workers can develop expertise in their chosen fields. Not only are HR Departments tasked with training newly hired employees, but they are also responsible for ensuring that existing employees receive ongoing professional training.

Many people believe that training is a waste of time and money because an employee would already be familiar with how to do their duties after being hired. However, your staff members must understand how to perform their jobs and efficiently grow their abilities.

One of the best ways to keep employees with your firm is to invest in their professional development by giving them training opportunities. As it demonstrates that you care about their accomplishments and are making the necessary efforts to grow them personally and professionally, it makes them feel more appreciated and, in turn, helps them feel more valued by you.

Employers can rest easy knowing they are getting the most out of their employees by providing them with training throughout the onboarding process and continuing to provide them with opportunities for professional development after they have been hired. HR managers must conduct performance reviews consistently so that their reports accurately represent employees' abilities and chances for professional development.

## 10. Payroll Pitfalls

In the past decade, there has been a discernible increase in the number of litigation regarding employee pay. This frequently occurs when an employee is erroneously categorized as exempt, which results in overtime wages not being paid to the employee.

The Fair Labor Standards Act (FLSA) must be precise when classifying every worker. Job titles don't determine exempt status. A worker's job responsibilities and remuneration must comply with the

United States Department of Labor criteria for the employee to be eligible for an exemption. Remember that non-exempt employees are required to earn overtime pay for any hours that are more than the standard 40-hour workweek. It is not allowed for overtime pay to be less than 1.5 times the employee's usual pay.

Another potential hazard regarding payroll is the incorrect categorization of gig workers. Careful consideration must be given to the worker's connection to the company whenever it is necessary to determine the individual's status as either an employee or an independent contractor.

The Internal Revenue Service (IRS) generates an 11-factor test that is classified into three parts to determine whether a worker is an employee or an independent contractor. These categories are behavioral control, budgetary control, and the relationship between the parties. Remember that W-2s are sent to employees, whereas 1099s are issued to independent contractors.

Employers who incorrectly classify their employees or make other HR mistakes in the payroll process are subject to severe fines, the obligation to pay back wages, and even class-action compensation and hour litigation. This is why it is essential to have effective HR policies in place, accurate records maintained by systems that are kept up to date, and regular audits of pay stubs.

An automated solution for managing payroll is the way to go to steer clear of these payroll and compliance blunders. The system will gather all pertinent data in one location and then compute precisely how much should be allocated to each employee based on their particular wage structure and the amount of time they have put in. In addition to this, it maintains accurate records of the wages of employees as well as the dates on which they are paid, which helps to prevent errors.

## 11. Poor Retention Planning

Recruiting high-performers for your team is essential, but retaining them after they've been brought on board is even more vital. The average cost of replacing a good hire is \$29,600. The most successful businesses go above and beyond the standard practice of conducting annual employee engagement surveys to determine what it is that truly drives their staff members. Then they design unique experiences that are catered to those specific drivers.

Management consulting firm McKinsey & Company conducted a study on current employee needs and experiences and found that the top 10 factors were: job security; economic stability; work/life consistency; being treated decently; communicating with individuals they can confide in; physical and mental health; accomplishing career objectives; being compensated; having supportive fellow employees, and being acknowledged for work. Several efforts have contributed to productivity, employee enthusiasm, and general happiness at work.

## 12. Keeping a Record of Performance Evaluations Based Purely on Ratings

Any person who owns a business knows the significance of conducting performance reviews. However, the vast majority of them are still operating conventionally.

Progressive companies like Netflix, Microsoft, and Google are implementing a new performance assessment method to improve employee engagement and drive longer-term success. We gave the technique the name “agile performance.” This strategy is built around the idea of providing feedback that is both extensive and ongoing.

Instead of basing an assessment of an employee’s work performance on meaningless figures, allow feedback—including self-assessment, evaluation from a manager, and input from peers—to guide you. The employee will have the impression that they have a say in the matter and that there is potential for the situation to be improved. This evaluation needs to be taken seriously, so it’s essential to make sure that it impacts both the management and the employees involved.



## Maintain the Flow and Effectiveness of Your Business

You can easily avoid the HR mistakes typical for new business owners by following these straightforward recommendations, ensuring that your company does not fall prey to the pitfalls of employing workers or managing employees without receiving the appropriate training. You must take care of human resources to ensure that activities at your firm operate smoothly and effectively; therefore, you should not allow anything to go through the cracks.



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