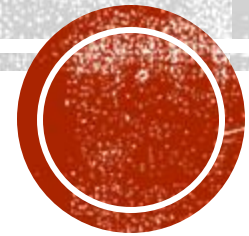


UNIT 3: HUMAN RESOURCE AUDITING



MEANING:

- HR audit is a systematic review of all HR functions, its strategic directions, structure, resource system and procedures.
- It refers to an examination & evaluation of policies, procedures & practices to determine the effectiveness of personnel management.
- It is an analytical, investigative & comparative process gives feedback about HR functions to operating managers.



FEATURES:

- Process of examination
- SWOT analysis of HR systems
- Diagnostic tool
- Acts as a root canal
- Standardization of practices
- Can be partial or complete
- Not Mandatory
- Appointment of HR auditor



OBJECTIVES

- Review of performance
- Identification of Gaps
- Identify the dysfunctional gaps
- Suggest remedial measures
- Enhance employee efficiency
- Evaluation of Job chart.
- Ensure Quality management
- Due diligence



LIMITATIONS:

- Lack of management commitment
- Lack of Evidence
- Rejection from employees and union
- Results of HR audit cannot be expressed in measurable terms
- May have demotivating impact on employees
- Not easy to value Human assets
- Evaluation gaps
- Other limitations



NEED & SIGNIFICANCE

- Ensure compliance
- Best practices
- Evaluate performance
- Increase competitiveness
- Enables to carry out function specific audit
- Increase overall effectiveness of organization



PROCESS OF HR AUDIT

1. Briefing and Orientation
2. Scanning material information
3. Surveying employees
4. Conducting interviews
5. Synthesizing
6. Reporting



APPROACHES OF HR AUDIT

- Comparative Approach
- Outside authority approach
- Statistical approach
- Compliance Approach
- MBO approach



PRINCIPLES OF EFFECTIVE HR AUDITING

1. Need for independence
2. Audit activities should be budgeted properly
3. Acknowledgement that there are many types of audit.
4. Established time frame for each step of audit.
5. Trained auditors
6. Set standards for HR auditing
7. Reporting template & final audit report
8. Maintain confidentiality of information
9. Communication strategy



ROLE OF HR AUDITOR

- To collect the current facts
- Identify the needs for improvement of HR function.
- Ensure effective utilization of HR of organization
- Review compliance in relation to administration of organization
- Instill confidence in the management
- Suggest measures for improvement of HR function



METHODS OF CONDUCTING HR AUDIT

- 1. Interview method
- 2. Workshop method
- 3. Observation method
- 4. Questionnaire method



INTERVIEW METHOD

- Types:
 1. Individual Interview method
 2. Group Interview method
 3. Structured interview
 4. Unstructured interview
 5. Stress Interview



ADVANTAGES OF INTERVIEW METHOD

- Collection of primary information
- Sufficient information
- Time Saving
- Less costly
- Explore cause behind the problem
- In depth analysis



WORKSHOP METHOD

- 30 to 3000 participants are gathered at 1 platform and divided into small groups.
- Asked to conduct certain activities related to some systems or sub systems of HR intervention.
- HR auditor complies and observes data and analyses on the basis of actions taken by personnel



ADVANTAGES OF WORKSHOP METHOD

- Flexibility
- Motivational
- Continuity



OBSERVATION METHOD

- Certain aspects like physical facilities, working conditions, meetings held, discussions, events and celebrations are observed and audited on this basis.
- Advantages:
 1. Direct method
 2. Accuracy of data
 - 3 Allows use of technology



QUESTIONNAIRE METHOD

- Feedbacks about various dimensions of HRD is done through detailed questionnaire administered to individual or groups.
- Advantages:
 1. Less Cost
 2. No need of trained personnel
 3. Ease for data analysis
 4. Scientific nature



COMPONENTS OF HR AUDIT

- Roles, head count & HR information system
- Recruitment
- Documentation
- Training, development & Career management
- Compensation & Benefits
- Performance measurement & evaluation
- Termination & Transition
- Legal issues / personnel policies



HR AUDIT & WORK FORCE ISSUES

- Workforce communication
- Employee Relations
- Performance management
- Compensation System
- Team building System



THANK YOU . . .

- Stay @ home, stay safe, study @ home

