

- Company car and membership of clubs etc.
- housing exp.
- Child care facilities; Tools, Expenses and meal allowances etc.

## Unit-5,

### HR Audit

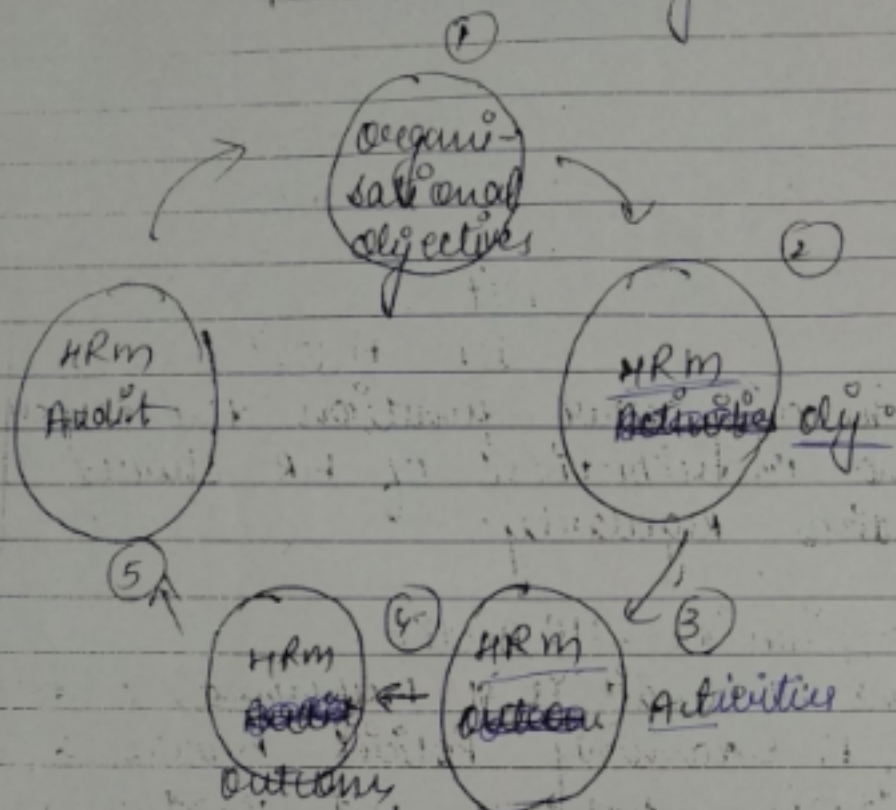
For any other function the Performance and contribution of HR should be audited regularly.

#### Definition - HR Audit

The HR audit is a performance process of examining policies, procedures, documentation, systems and practices with respect to an organisation's HR functions.

- It evaluates personal activities of an organisation.
- It may include one division or entire company.
- It gives feedback about the HR functions to operating managers and HR Specialist.
- It also provides about how well managers are meeting their HR duties. In short audit is an overall quality control check on HR activities and evaluation of how these activities support the organisational strategies.

## The HR Audit cycle



### Concept Purpose -

- 1° TO reveal the strengths and weakness in the Human Resource System.
- 2° The audit works best when the focus is on analyzing and improving the HR function in the organisation.
- 3° Helps identify what you are missing or need to improve but it can't tell you what you need to do to address these issues.
- 4° It is most useful when an organisation is ready to act on the findings and to enable its HR functions to a level where its full potential to support the organisation's mission and

objectives can be listed

HR audit takes care of every function of

HR like (Human Res. Information system)

✓ Recruitment

✓ documentation

✓ T & D and Leave Management

✓ compensation and benefits

✓ employee relations

✓ Safety

✓ Recruiting

✓ Health/ Welfare systems

✓ Performance management & evaluation

Q 1. Who should conduct the audit?

The team that is responsible for the audit should represent a cross section of the organization staff including:

Ind Staff -

I Middle Management -

N Upper management -

T and those responsible for HR functions -

E or external consultant may be the audit

HA

L

2. Are any other firms pertaining to our

organization.

3. And team works to collect information to

assess the HR audit questions in these

Category.

Category.

Category.

## Benefits

1. Identification of the responsibilities of the HR Dept to the organization.
2. Improvement of the professional image of the department.
3. Enhancement of greater responsibilities and professional growth during vacancies at the Dept.
4. Identification of the HR Dept duties and responsibilities.
5. Identification of urgency of HR policies and matters.
6. Finding of HR personnel problems.
7. Encouraging healthy competition with HR professionals.
8. Reduction of HR cost through more efficient personnel procedures.
9. Reduction of internal competition by the necessary change in HR Dept.
10. A healthy relation of direct and indirect supervision system.

## Scope of HR Audit

Audit of HR through

Scope of HR

Result of HR

Audit of HR

Result of HR

Audit of HR

Result of HR

Audit of HR

Result of HR

### Sign of the world

- It must occur in visible or in  
Organization and return beyond those  
but people believe are not important  
to the dept alone
- They will search the word in the  
city

• So the world will even be following  
what kind of the policies

• For the world structure of  
what should be done? structure of  
it complete by social discipline

• It is necessary of the world  
to study the structure of the world  
to study the structure of the world

3. Study of the Organization  
of the Organization and the structure  
of the world

They state how the structure  
should be

They help to know how they are  
supervised

Ex: Evaluation of the Application  
of the structure of the world  
and the structure of the world  
structure

Co. Study of the structure  
They will be important in the world

They will be important in the world

How do we know from actual programs  
is to be found but by the action  
they don't know the activities are lower  
and

They know to following questions can  
to be used:

- what are the standard of performance?
- how are they measured?
- how are they incentivized?
- are they self-reported? (subjective)?

D. Audit of the system

we are about to expect the employee incentives  
model and the compensation. The quality of  
climate can be measured by measuring:

- Employee turnover
- Absenteeism
- Absenteeism
- Absenteeism

E. Audit of Corporate Strategy

we are interested to what are corporate  
strategy and how strongly determine the  
success

- It helps the organization to see competitive  
advantage
- by using SWOT assessment ways of gaining  
insight
- understanding strategy for increasing  
performance, planning, strategy, reevaluation

and since we measure

### Audit Report-

Written report to be furnished containing findings, conclusions or recommendations of the audit. Report is mainly for top management.

- outside agents of report such as outside survey, and safety survey may be not available to employees. It should be entrusted within specified time.

Following three should be included:

1. Scope of control.
2. Report of brief statement of steps.
3. Summary and conclusions.
4. Report under the major decision given.
5. Exp summary layout to transcription record.
6. System containing supporting data.

### Human Resource Accounting System

A procedure to estimate and report the worth of the human capital, it is necessary that some method of quantifying the worth of human resources will be good contribution of the human element as well as

## Importance of HRIS

The Information generated through HRIS is helpful in making decisions for the

possibility areas

1. Position regarding cost, accuracy, program
2. Training and development
3. Recruitment, planning, and selection
4. Compensation planning and control
5. Performance and controlling HRIS
6. Making a choice between different types of human investment, performance related assets etc.

## Objectives

1. To determine the nature of investment on HRIS
2. Planning and budget utilization of HRIS
3. Financial quantitative information on HRIS
4. To communicate the worth of HRIS to the organization and the safety at large
5. To establish cost value information for making management decisions
6. To assess the management perceived to monitor effectively the use of HRIS



Human Resource cost responsibility

The cost approach where business is linked with regard to employees.

or includes:

1. Accounting for cost of recruitment activities of each firm/industry.
2. Accounting for cost of development & Human Capital.

Human Resource Value Accounting

- The resource value approach which includes methods used to evaluate the value of HR and other contributions to the company's value.
- This approach focuses on the assets and liabilities to identify the source of firm's future flowings from the asset.

Human Resource Information System

HR have become a subject that receives heavy of us. when today every organization is in the digital world, looking to the giant business for the HR & joint amongst many other things companies rely on their computer expertise. HR & digital marketing are various purposes.

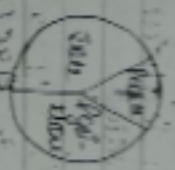
HRIS Record Keeping Requirements

- Employee Information: name & contact data
- Termination date
- Benefits
- Absence & vacation
- Attendance
- Progress over time / appraisals

Calculations for HRIS (Example)

- Health care cost per employee
- Pay and benefits as a % of operating expense
- Restructuring costs: reduced over time
- Thus to fill gaps

HRIS Structure (Important)



- People
  1. Medical Records
  2. Recruitment/Employee
  3. Compensation

- Patients
  1. EEO
  2. Benefits
  3. Payroll
  4. Employee Relations
  5. Personnel Admin

HRIS / Manual systems / Benefits

1. Low priority
2. More difficult financing
3. Prioritization of staffing resources
4. Factor: more consistent scheduling of employees
5. Higher quality hiring decisions

## Strategic human resource Management

- Strategy is deciding where to go and the means to go there. It is a declaration of intent.
- At the way of doing something.
- In other words, strategy is a company plan for how it will balance its internal strengths and weakness with external opportunities and threats to gain and sustain a competitive advantage.

### A SWOT chart

- Internal strength : long research group
- weakness : Aging machinery
- External opportunities : expanding china markets
- Threats : Merge of 2 competitors to form single strong one.

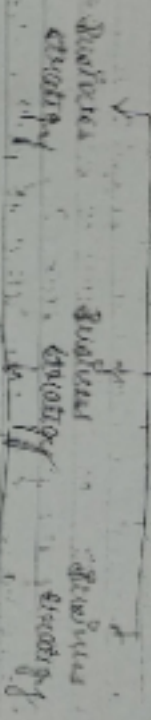
→ Some organisation strategies, a company  
strategic principles

general electric

Be No. 1 in every industry in which we compete  
General Electric  
Walmart  
factory

walmart

Strategic Planning  
Business Strategy



Corporate level strategy, Business level strategy, Functional level strategy

It identifies the portfolio of business that the firm will pursue in the long run.

It identifies the business units in which the firm will compete.

It identifies the competitive positions in the market place.

It identifies the competitive focus of functional strategy.

It identifies the basic courses of action that the firm should pursue in order to help the business in attaining its competitive goals.

It is a part of strategic management.

It helps in formulating strategy in a variety of ways.

It helps in formulating intelligent suggestions for strategic environment.

It helps in formulating responses to the competitive environment.

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Strategic Management

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