

College: J D Women's College	Subject: HRM
Dept: MBA	Unit/Topic: V/HR Audit
Semester: 1 st	Faculty Member: Kundan Kumar Gautam

Notes on Lecture - 2

HR Audit

Nature of HR Audit

To understand HR audit well it is important to understand its nature. Following are the facts that describe the nature of Human Resource Audit:

- Human Resource Audit, generally, gives feedback about HR functions not only to operating managers, but also to HR department.
- HR audit is an overall quality control tool and evaluates the HR activities in an organisation.
- Human Resource Audit also helps clarify organisational and management goals.
- It is used as a tool for review of the effectiveness of human resource practices.
- It also helps the management of the organisation to evaluate how well its policies are going on and identifies trouble areas that require particular attention.

Benefits of HR Audit

HR Audit offers many benefits to the organizations. Some of these are

- HR audit clearly identifies and clarifies the duties and responsibilities of HR department and its personnel.

- HR audit evaluates and ensures timely compliance of the HR activities keeping in mind the legal requirements.
- HR audit ensures that there is increased acceptance among the HR personnel of the necessary changes done in the HR department.
- HR audit makes sure that there is uniformity of HR policies and practices within the organizations at all the times.
- HR audit is also able to encourage greater responsibility and professionalism among members of the HR department while performing different tasks.
- HR audit using its different tools is able to identify the contributions of the HR department to the success of the organisation. It, thus, ensures that the contribution of HR department is duly recognized.
- HR audit brings improvement to the professional image of the HR department all around. It makes sure that the HR activities are considered important for any organization.
- Through HR audit an attempt is made to find solution to critical personal problems, which otherwise may cause losses to the organization.
- HR audit brings reduction to the HR costs by identifying and applying more effective personnel practices and procedures.
- HR audit also reviews the HR information system (HRIS) and suggests ways to make it more effective.