HRD AUDIT

HRD Audit is like an annual health check-up, it plays a vital role in instilling a sense of confidence in the Management and the HR functions of an organization.

❖ Examines the adequacies and inadequacies of HRD structure, staff and their competencies, line managers and their attitudes, top management and their support, unions and their role in competence building for future

❖ Suggests mechanisms for improving all these in the business context

HR Audit v/s HRD Audit

HRD Audit is a comprehensive evaluation of the existing HRD Structure, and their appropriateness to achieve the short term and long-term goals of the organization.

- Strategies,
- Systems,
- Styles,
- Skills / Competencies
- Culture

HR Audit is a comprehensive evaluation of the entire gamut of HR activities

- HR Cost
- HRD activities
- Health, Environment & Safety
- Legal Compliance
- Quality
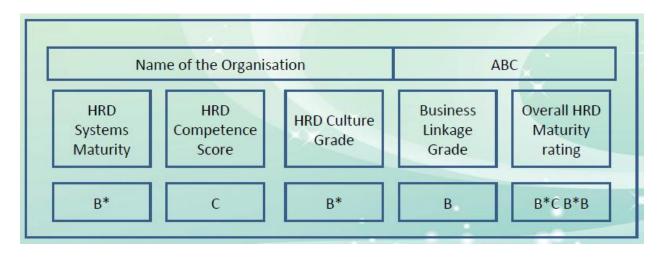- Compensation & Benefits

Reasons for HRD Audit (Why?)

- For expanding, diversifying and entering into a fast growth phase.
- For promoting more professionalism and professional management.
- Bench-marking for improving HRD practices.
- Growth and diversification
- Dissatisfaction with any component
- Change of leadership

Role of HRD Audit:

- HRD audit is cost effective
- It could get the top management to think in terms of strategic and long term business plans.
- Changes in the styles of top management
- Role clarity of HRD Department and the role of line managers in HRD Improvements in HRD systems
- Increased focus on human resources and human competencies
- Improvements in HRD systems
- Better recruitment policies and more professional staff
- More planning and more cost effective training
- TQM Interventions

HRD SCORE CARD:

- ❖ T.V. Rao (1999) has introduced the concept of HRD score card.

- ❖ The HRD Scorecard is a measure of the HRD maturity level of an organization. The scorecard is based on the following assumptions and takes into consideration the research based understanding gained in the last few decades regarding HRD.

- ❖ The maturity level of HRD in an organization is indicated by the following factors:

  - HRD Systems Maturity
  - HRD Competencies of the Employees including the HR Department
  - HRD Culture of the Organization
  - HRD Influence on the Business Goals or Business Linkages of HRD

Name of the Organisation			ABC	
HRD Systems Maturity	HRD Competence Score	HRD Culture Grade	Business Linkage Grade	Overall HRD Maturity rating
B*	C	B*	B	B*C B*B

A* **-** Highest Score and Highest Maturity Level

A - Very High Maturity level

B* **-** High Maturity Level

B - Moderately High Maturity Level

C* **-** Moderate Maturity Level

C - Moderately low Maturity level

D* **-** Low Maturity Level

D - Very low Maturity level

F - Not at all present

U - Ungraded

This Score Card' can be used to assess and benchmark the maturity level of the HRD function in organisations and make it more business-driven. It assigns a four-letter rating to grade four critical dimensions of HRD which contribute vitally to organizational performance; HRD systems maturity, HRD competencies, HRD culture and values, and HRD linkages to business goals.

HRD Systems Maturity Score:

Competencies and commitment can be developed through appropriate HRD mechanisms (tools and systems). In a HRD Mature organization there will be well-developed HRD systems and HRD systems Maturity can be measured through HRD audit.

HRD Competence Score:

HRD Competencies of the HRD department and the line managers play a significant role in implementing the systems and processes in ways that could ensure of an index.

The HRD Culture:

The HRD Culture values and processes created by the HRD tools, staff and their styles also play a crucial role in building sustainable competencies in the organization. These need to be measured and monitored. It is possible in some corporations (for example small corporations) to have very little of HR systems and yet have a high level of HR competencies and HR culture. In the traditional family owned organizations in those years where there were no systems approaches there used to be good degree of HRD culture, which has resulted in effective functioning and business.

The competencies of the staff and the other employees can be measured in terms of employee satisfaction, competence building and customer satisfaction linkages.

Model for Culture Audit:

Alan Wilkins has proposed twin factor criteria to understand and assess culture.

> ➢ Shared assumptions
> ➢ Taken for granted/shared

It is difficult to audit the assumptions between people who don't speak directly and the assumptions are contradictory.

Steps to be followed:

1. Observation

A random observation of people behavior at work helps to know how they act and react in a given situation.

This data can be crosschecked with people who work early in the organization.

2. Stories

There will always be some stories in circulation in the organization that employees share. All these should be collected, documented and analyzed to understand the patterns.

3. Language

The way people speak in different occasions, slang, words, expressions indicate something a group shares.

4.   Customers

The manner in which decisions are taken and methods used to solve the problems by the employees must be documented.

5. Patterns

In an organization how a particular event is viewed or values by employees must be noted down.

Example: Reward/Punishment how it is viewed by a particular organization may not be same in other organization.

Audit techniques for organization communication

This is the audit, which helps us to systematically study the methods, channels, tools of communication to improve the comm. System.

Techniques are:

1. Structured and Unstructured interviews.

2. Questionnaire

Both open ended and forced choice questionnaire should be developed with a clear objective to collect the data from all the employees.

3. Analysis of telephone bills

Cost incurred on telephone bills, frequency, purpose and subject of issue will provide important data.

4. Network Analysis

Communication Network can give important about the senders, receivers and blockages.

5. Communication logs

Here, employees will be requested to maintain a diary of communication for a specific period.

    1. In-tray/Out-tray Analysis

    How an employee/group of employees clear their letters, memos, correspondence, circulars and the type they receive in normal course should be analyzed.

    2. Critical incident tech

    Employees should be asked to narrate the events/experience.

    3. Use of media

    Telephones, e-mails, postal mails, written communication, oral communication, formal & informal interaction should be checked.

Challenges in HRD Audit:

- Build and improve quality consciousness
- Strive to recruit and retain competent , creative employees
- Align biz processes with technology infrastructure
- Nurture creative and supportive work culture
- Train and develop the employee through 360 degree feedbacks, appraisals.
- Promote learning orientation-informal networks