

Auditing Human Resources Department

- Function in an organization that is charged with obtaining and maintaining qualified employees to meet the organization's needs. To fulfill that mission, human resources is accountable for a number of key results areas and management competencies.
- Each piece of legislation recognized the conditions of the time, and those conditions, as well as the requirements of the legislation, called for additional competencies on the part of human resources.
- HR is now seen as a key component of an organization's management and strategic planning, and the organization asks performance-based questions of HR.

Audit categories

- **Human resources strategic management**
 - Partnering in the development of the organization's strategic plans and human resources plans and role in fulfilling the organization's mission, vision and objectives
- **Workforce planning and selection**
 - Planning, implementing, and evaluating the process of obtaining and selecting qualified candidates from internal and external sources for positions throughout the organization to fulfill the organization's performance requirements
- **Training and organizational development**
 - Providing employee performance-required skills and knowledge training, facilitating career development to meet both current and future organization needs and assisting the organization in managing change
- **Total rewards**
 - Developing and implementing employee cash and noncash compensation and benefits that are in line with the organization's strategic plans and objectives
- **Employee and labor relations**
 - Maintaining an effective relationship between the organization and its employees including, if applicable, the collective bargaining process and union relations
- **Safety and security**
 - Providing employees a safe and secure working environment and safeguarding their personal information

- **Human resources information systems and metrics**
 - Preparing, storing and maintaining employee records and information, including computerized human resources information systems, and meeting federal, state and local requirements
- **Diversity and equal employment opportunity**
 - Developing and implementing workforce programs to maximize the employment of productive people with different backgrounds, qualifications and talents while recognizing the legal requirements and social responsibilities of equal treatment for all employees and the actions necessary to ensure that those requirements are met
- **Human resources facilities and equipment**
 - Providing the necessary equipment and facilitates to fulfill the human resources mission and to provide optimum service to the organization
- **Human resources organization**
 - The human resources department's structure; internal relationships; relationships with other functions, departments, and employees of the organization; and the arranging of resources within the department
- **Human resources staff**
 - The qualifications, selection, training, motivations, development and retention of a human resources team

Organization's strategic planning

- To assist in fulfilling its mission, an organization requires a wide variety of activities – devoted to the use of the organization's assets: people, money, information, time, supplies, and equipment.
- In smaller organizations, these activities may be combined, but in midsize and larger organizations, each of these areas requires full time professionals to obtain optimum performance
- Human resources should be regularly represented in the senior management group that plans for and directs the organization
- To be effective, mission, vision and values statements should not only be written but also published
- An extension of an organization's mission statement is its strategic plan. Strategic plans of fewer than five years are subject to so many unpredictable changes that they tend to be more wishful thinking than fact based. Strategic plans detail how the organization plans to fulfill its mission.
- At minimum, the human resources department's performance should be reviewed at the conclusion of each tactical plan

- A budget is a statement of how the human resources department plans to operate. Unless a significant, unplanned event impacts the department's operations, the economy, or the organization's financial situation, human resources should be accountable for operating in its budget
- Overall organization policies and procedures of these types of subjects apply directly to the workforce and conditions of employment. If the human resources department is not involved, actions and decisions affecting employees are being initiated without input from the function accountable for the workforce.
- The purpose of a management/workforce succession chart is to identify strengths and weaknesses in the organization's force. This can occur only if all key positions are included on the chart.

Legal requirements of employment

- New and revised laws and rules – as well as court decisions and interpretations – of federal, state and local legislation and implementations often impact selection procedures and conditions of employment. Such changes occur frequently and often without prior warning. To ensure compliance, someone in the human resources department should be accountable for regularly reviewing and communicating actions that affect the organization's policies and procedures.
- Selection activities and results are most effective and efficient when one position is accountable for managing and administering them. This allows for consistency and thoroughness.
- The document that provides the greatest assistance in hiring and employee is the description of the open position. A position description provides a standard document of required qualifications and competencies. In addition, it communicates the type of responsibilities and authorities the position has been delegated.
- The second most useful document on the hiring process is the sets of standards of performance or objectives for the position.
- Screening may consist of a review of resumes and applications, initial interviews, or both.
- The professional, ethical, and safest approach is to have a reference check release signed by a candidate prior to conducting a reference check
- Someone from the human resources department and someone in the department with the open position.
- To be valid and reliable, measurement devices need to be administered in a standard way. All candidates should receive should receive exactly the same

instructions, and they should all have the same environment and, when required, the same time.

- Multiple interviews can be most effective if the information that each interviewer is seeking and the questions each will ask have been planned and coordinated. Otherwise, the results can be counterproductive.
- It is important to remember that all candidates are also potential future candidates or customers of the organization. Accordingly, it benefits the organization to treat them in the most professional way possible.
- The hiring process is a dual search for information. The organization is attempting to seek information about a candidate in order to make a selection decision, but candidates also need information for their decisions in accepting an offered job.
- An employee handbook provides employees with details of what they need to know. When distributed in conjunction with an orientation program, the handbook serves as a reference for what the program covered.
- Since employee handbooks are meant to be general references, they should include two statements: 1) the complete details are in the formal policies, procedures, contracts and other documents relating to the contents of the handbook. 2) if the other materials differ from the handbook, the original documents are considered correct.

Legal regulations and trends

- Ensuring that the organization is aware of developments in legislation and regulations that affect training and development is the first step in compliance.
- The place of change and technological developments requires the organization to constantly assess its training needs
- Probably the two individuals who can best identify the training needs of an employee are the employee and his/her supervisor.
- Individual training needs for an employee's current position are best identified through performance to job standards and objectives reviews.
- A tuition reimbursement program has many benefits. It improves the knowledge of current employees. It assists in retaining them, and it develops people for future growth in the organization
- Behavioral objectives or other measurable outcomes should be established in advance of training.
- Conditions of employment should support the organization's culture. An organization's effectiveness is generally greatly improved when employees are encouraged to identify both types of customers and ensure that all are provided with quality service.

Total rewards

- Compensation and benefits, one cash and one noncash, are the rewards an employee receives for working. Two categories are considered together by employees, so the organization should do the same.
- Benefits constitute an important activity of human resources and require a single position to be accountable for it.
- If a benefit policy exists, it should be published and communicated to employees in some manner, such as in the form of an employee handbook.
- Benefit information must be kept current and employees immediately notified of any change
- Valuable information can be obtained from benefits surveys conducted. Surveys indicate how well a benefits policy is being met, how competitive the benefits package is, and what new benefits are being offered by others.
- Whatever the results of a benefits survey, they should be communicated to employees.
- Whatever the procedure used to evaluate positions it should be formalized and standardized.
- Position descriptions should describe the function of a job, its primary responsibilities, its qualifications, and its reporting relationships.
- Employees should receive or be entitled to receive the evaluations of their positions.
- Wage adjustments should be based on inflation, employee performance, the employee's position in the salary range, and the length of time since the last increase.
- Performance reviews should be used primarily for enabling employees to successfully fulfill the requirements of their current position, stay current with developments in their professions, and prepare for meeting their individual career objective.
- Performance-based variable compensation plan can contribute to increased efficiency and improved results.
- All bonuses are the most effective and fair when the eligibility and amounts are formalized.

Employee and labor relations

- At times, employees may require assistance from someone outside the organization. This can be provided through an employee assistance program. To be effective, an EAP must be handled in a professional and ethical manner.

- A supervisor should talk with a departing employee, but formal exit interviews are better conducted by someone else.
- Exit interviews can provide useful information to an organization, particularly the human resources department.
- The worst thing for effective employee relations is to have a good sounding policy and then not follow it.
- An organization needs general rules, guidelines and regulations that should describe the desired and unpermitted behaviors.
- Discipline should be initiated as closely as possible to the time of action requiring discipline.
- Studies have indicated that lacking a formal grievance procedure, even if it is seldom used, can be a significant factor in employee discontent.

Safety and security

- Accident records are necessary for a number of reasons. They are needed for possible future workers' compensation claims.
- A critical feature of any safety program is a procedure for shutting down and locking off power to a piece of equipment that is broken, being inspected or being repaired.

Human Resources Information Systems and Metrics

- HR department collects and retains a great deal of data regarding candidates, employees, and conditions of employment.

Diversity and equal employment opportunities

- Having an equal employment opportunity policy and procedure is just an early step in ensuring the fair and equal treatment of all employees. In addition, they should each have some type of manual or other instructions in exactly how to deal with such grievances and their specific role in resolving them.

Human resources facilities and equipment

- There should be an organizational policy regarding the personal use of the organization's PCs. The policy should state that the PC is the organization's property, and all data stored on it are the property of the organization.

Human resources organization

- The documented organizational structure, whether a chart or other format, is a tool to be used by both human resources department employees and the balance of the organization. It is probably of more assistance to human resources department

employees because it specifies who does what and who work for whom. The balance of the organization can benefit by knowing the same information, but it can also contact the human resources department and allow the department to direct it to the correct position.

Training and organizational development

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Total rewards

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Human Resources Information Systems and Metrics

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- Developing and implementing workforce programs to maximize the employment of productive people with different backgrounds, qualifications, and talents while recognizing the legal requirements and social responsibilities of equal treatment for all employees and the actions necessary to ensure that those requirements are met.

Human resources facilities and equipment

- Providing the necessary equipment and facilities to fulfill the human resources mission and to provide optimum service to the organization.

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