

Conducting an HR Audit

Course Summary

Description

A traditional criticism of the Human Resource Management function is that it's an overhead cost that is unpredictable and unquantifiable. The absence of professional agreement on benchmarks against which HR function effectiveness can be measured, has reached critical momentum in times of financial crisis. The inability to specify a return on investment in human capital operations fuels this negative perception and corrodes respect for HR. While financial audits are required by law, audits in HR are mostly discretionary unless required by specific legislation. In many organizations this perception is an obstacle for HR professionals seeking to be "at the table" and viewed as a strategic contributor to organizational goals.

Through facilitated discussion, group and individual hands-on exercises, this workshop will show you how to develop and conduct an HR Audit. You'll discover how to use different types of benchmarks and indicators to produce a Scorecard which will reveal the true state and comparative effectiveness of your HR function. You will learn to use audit results to construct strategic and action plans to address gaps and inefficiencies.

Objectives

At the end of this course, students will be able to:

- Understand HR Metrics and Benchmarks
- Use Benchmarks to conduct an Audit
- Develop Action Plans to address Audit results

Topics

- Why Audit?
- Defining and Deciding on What and How HR Functions Can Be Measured
- Developing Benchmarks and Indicators
- Conducting the Audit
- Analysis and Use of Audit Results

Audience

Anyone with responsibility for the HR function or any particular aspect of its management; Financial Managers or anyone interested in improving the efficiency of HR Management in their organization and controlling its costs

Prerequisites

There are no prerequisites for this course.

Duration

Two days

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Course Outline

I. Why Audit?

- A. Ensuring the cost-effective utilization of an organization's human resources
- B. Ascertaining compliance with legislation and legal regulations
- C. Meeting potential challenges and contributing to the organizational bottom line or mission

II. Defining and Deciding on What and How HR Functions Can Be Measured

- A. What can and cannot be measured
- B. What statistical measures are appropriate?
- C. The precision and reliability of current metrics applicable to the HR function

III. Developing Benchmarks and Indicators

- A. Available and accepted sources for benchmarking
- B. Internal development of benchmarks
- C. Gaining organizational acceptance of benchmarks

IV. Conducting the Audit

- A. Exercise in conducting an actual Audit
- B. Pitfalls and perceptions
- C. Internal staffing and outsourcing considerations

V. Analysis and Use of Audit Results

- A. Quantitative and qualitative methods
- B. The Balanced Scorecard – Appropriate tool?
- C. Statistics for Non-Statisticians
- D. Using Audit results in each HR function
- E. Developing actions plans to address Audit results
- F. Learning review, evaluation and closure