



THE ROLE OF HR AUDITING IN INCREASING THE LEVEL AND POTENTIAL OF HUMAN RESOURCES MANAGEMENT

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Article DOI: <https://doi.org/10.36713/epra4277>

DISCUSSION

In the recent years, the world has undergone many positive changes and reforms in the field of human resource management and development. There is a growing tendency for organizations to view their employees as a revenue-generating resource. In this regard, changes are taking place in the world, especially in our country, and new terms are being used in the lexicon. Transitioning to a new stage of activity, open, transparent mechanisms of recruitment and hiring are being implemented.

All this requires deep knowledge, skills and openness to innovations from the head of the organization and from those who are responsible for direct human resource management structures in the organization. On working with the employees, it is needed to be more proactive, limitation of the paperwork is thought to be significant, and spending more time on building the staff capacity plays an important role in this regard.

As in each direction, periodic monitoring is carried out to ensure that the activities of the organization's personnel structure meet applicable law, not deviating from the overall strategy of the organization.

In foreign countries, new mechanisms are widely used today to constantly monitor the correctness of the documents related to the personal portraits of employees. One such service is HR auditing activity.

An audit of human resources is a comprehensive analysis of personnel documents and verification of their compliance with the terms of legislation and regulations. As foreign practice shows, it is mainly used in private organizations. Applying audit services in the fields of finance and economics is a very simple method. In this case, the numbers "speak". However, since this method is

relatively new in the field of personnel management, it has not yet been used by many organizations.

In organizations, personnel-related documents are significant. The human resources department, in close collaboration with each structural unit of the organization, more precisely, plays a driving role in bringing the organization together. Therefore, the documents related to the activities of the department should be constantly monitored and strictly checked for compliance with the terms of the legislation.

HR auditing is still understood by some organizations as an old-fashioned way of just checking documents. Below we look at the five-step process of how an HR audit differs from a simple document review. They include preparation for the event, data collection, analysis, formulation of conclusions and recommendations, and handing over the report to the manager. These processes are discussed below.

Before the auditing, the purpose of the audit and its impact on the activities of the audited entity is determined. A working group is formed and each member has a separate responsibility. At the same time, the things of inspection, which are considered to be key aspects of it, such as questionnaires for interviewing the employees, and cases are prepared. Common methods of gathering information are used in inspections. These are: analysis of total internal documents related to HR processes; defined and specialty interviews; quantitative and analytical data; modeling; monitoring of the internal healthy environment in the organization and the solidarity of employees in the implementation of the overall strategy of the organization (both of which are important indicators in the initial assessment of the organization). Organizational leaders spend most of their time signing documents, and also viewing them. In most cases, employee efficiency is just skipped.



Those who come to work only for their time, who are productive during their work, and those who leave for work, have the same salary and attitude. The situation is not properly assessed by the manager. He/she gives an assessment based on the documents in his/her hand and concludes that the business is well organized. All this has a negative impact on the future activities of the organization. It is no coincidence that the word “audit” comes from the Latin word “audire” - “to hear”, consequently, in the HR audit system, the priority is given to interviews with employees. While carrying out the interview, a talk is led with the employee to know his / her opinion about the organization and the manager he / she works for. This method allows you to answer questions about whether the personnel management process is actually working or just recorded on paper¹.

Thus, the personnel audit is a professional activity engaged in a comprehensive examination of the documents related to the activities of the organization in accordance with the terms of labor legislation and office work.

The employees of organizations need auditing in the following cases:

- In the event of a change in the employee’s position responsible for human resources (dismissal or transfer to another position, another department, branch);
- before the scheduled inspection which is carried out by a competent authority;
- In cases where the dismissed employee is dissatisfied with the organization and appeals to higher organizations (giving arguments such as untimely payment of the salary and bonuses, and the dismissal at the initiative of the employer);
- changes in the management of the organization
- when there is a need to harmonize the documents related to the work with employees in accordance with the current legislation (when a new regulatory document in the field is adopted).

The personnel audit assesses the following:

- completeness of personnel documents;
- system of registration and storage of documents;
- compliance with the local regulations;
- employment contracts, additional (agreement) contracts;

- procedure for keeping employment records (internship).

What does an HR audit give an organization:

Obtain complete information on the personnel management system;

- ✓ Ability to correct all existing violations, to prepare without spending extra time to look for shortcomings in future inspections (by the competent authorities);
- ✓ Objective assessment of the actual state of affairs in the field of HRM, as well as an overall assessment of the activities of the human resources department and the staff of the organization;
- ✓ Minimization of the risks in the field of labor relations, strengthening the discipline;
- ✓ Opportunity for the employer to provide regular information about the value of the work of employees in the organization, the protection of their rights in accordance with the law.

Today, HR auditing is rapidly entering the field of human resources, and the level of its significance is determined primarily by the direction of the performance of the organization. Any organization that has developed a long-term strategy for future development, or aims to achieve efficiency in the performance of public functions, will definitely need the services of audit of human resource development and management activities. Public service organizations will be able to use this service within the allowable costs based on budget parameters, and the private sector will be able to use this service within the development costs. Of course, it would be expedient to establish this activity in accordance with the national legislation by creating a new structure within the agency responsible for the implementation of a unified state policy in the field of personnel management and human resource development in government agencies and organizations in the country.

Usually, when we invest in a business, we expect a quick result and profit. However, the operation of an HR auditing system takes some time. After all, the result will be better than you expected. The manager does not always have the ability to constantly monitor the activities of the lower divisions of the organization. He/she evaluates the employees only on the basis of documents presented by the structural managers. In practice, it turns out that not all problems and issues in the organization reach the leader. The data is being “filtered”. In this regard, the HR audit service is very helpful to the head of the organization. The obtained results give a clear idea of the bottom of the iceberg.

¹ Innovational economy: the Perspectives in the Development and Enhancement, #7 (41), 2019
HR auditing as one of the methods of restructuring the company. The author: Lavrentyeva Larisa Viktorovna, professor and associate professor