

# THE NECESSITY OF HUMAN RESOURCES AUDIT

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## **Abstract:**

*In personnel subsystem leadership all elements, the aspects associated with it must be audited and evaluated periodically but the human resources function as part of the organization and training with forecasting value is frequently neglected. The human resources audit is extremely useful in crises when productivity is not appropriate and the motivational level is very low or when conflicts or tensions arise. The HR audit provides a clear and objective analysis of the functioning of the human resources component and gives solutions in conflicts resolution or whenever the action of human resources department fails to improve the productivity and the financial situation of the firm.*

**Key words:** human resources audit, questionnaire sheet, audit report, human resources practices

**JEL classification-** M42

## **Introduction**

The Human Resources Audit is a system of consulting, an analytic evaluation and an independent examination of the human potential of the organization. The human resources audit is considered a diagnostic instrument for the identification of the strengths and the weaknesses of an organization. An efficient audit can be useful by stimulating the constructive thinking, identifying the positive aspects and the organizational deficiencies and providing recommendations for improvement. The human resources audit is a complex of monitoring and data collection activities which assure the manager that the performed activities are running according to the plan, measuring the progress towards the proposed objectives and detecting the deviations from the initial plan in order to take the corrective measures. The department of the human resources represents an important part of an organization in present-day economy. An efficient department of human resources determines a growth in stability and fidelity of the personnel in an organization.

## **Materials and methods**

In the leading activity of the personnel subsystem in an organization all the elements, aspects and the behavior must be periodically audited and evaluated. The human resources audit demonstrates how much this contributes to the organizational efficiency as a whole and to the work productivity. In the same time, the human resources audit represents a diagnostic instrument, not a prescriptive one. It can help to the identification of what is missing or of what must be improved, without specifying what should be done in order to solve the problems.

It is an instrument that can be used for measuring the level in which an employer satisfies the legal obligations in administering the work force and for registering the corrective measures which can be required. The human resources audit operates with abstract ideas; it has its foundation on numerous learning types, a rational structure of postulates, concepts, techniques and rules, being based on a rigorous intellectual study which deserves to be named discipline in the current sense of this term.

The audits must have the goal of determining if different elements of the subsystem are efficient for the achieving of the objectives established by the managerial board. Besides the fact that it succeeds in revealing the true dimension of the human

resources activities, the audit helps the manager in all the stages of the process of leadership, the decisions taken from the information provided by the audit being well justified. The human resources audit evaluates the activity of the human resources in an organization having the goal of improving those activities. In the same time the audit provides feedback towards the personnel, especially towards the way in which the activities are performed.

The evaluation of the performances represents the fundamental activity of the human resources management developed with the aim of determining the level in which the employees of an organization fulfil efficiently their tasks and responsibilities. Firstly it deals with the evaluation of the results obtained, formulated or expressed differentially on posts according to their particularity.

A human resources audit can identify the results and recommend solutions based on the feedback received from the personnel and the manager combined with the auditor's observations. The human resources audit also implies a systematic examination of the practices and the politics about the human resources within an organization.

The human resources audit provides feedback concerning the function of the human resources, the way in which the activities of this function are developed.

It emphasizes the disparities between what is done and what is necessary to be done. Eliminating the disparities, the organization can ensure an efficient leadership of the processes, by identifying the strengths and the weaknesses of the organization and of the domain in which improvements can be made.

We can say that the human resources audit is a general qualitative control, an examination both of the human resources activities at the compartment level or at the organization as a whole and of the way in which these activities help the strategy of the organization.

## **Results and discussion**

Here are some of the advantages that the human resources audit offers:

- Identifies the contributions of the human resources department within the organization;
- Improves the professional image of the human resources department;
- Discovers the critical problems of the human resources;
- Reduces the costs with the human resources using more efficient personnel procedures;
- Encourages the assumption of greater responsibilities within the same department

The complexity of the economical processes determines in the immediate perspective a growth of the role of the audit to the professionalization and the institutionalization of this kind of human resources management services. The audit is not a control disguised into another more modern form; its role is to constitute a correction factor for the adaptation asked by the market evolution, so that the organizational economic efficiency to be ensured.

The authors D. Franca, Nagy C. M. in the work *Teorie și practică în contabilitatea instituțiilor publice (Theory and practice in public institutions accounting)*, recall „the preventive financial control it will integrate gradually in the field of managerial responsibility, as management control will provide the risks elimination, in administration of public funds. Achieving this level will be evaluated by audit engagements arranged by the Minister of Economy and Finance, under the law”.

An audit practically reaches each subject which is approached in the human resources management, if we take into account the right approach of the subject – the

holistic approach. Although it is not desired to diminish the importance of all the variables presented, it can be emphasized that in an audit we find a system of elements to the fore, seeing on one hand the provision with quality human resources and on the other hand their usage.

### **Conclusions**

In our present context, the audit thrives through a better definition and a higher level of expected performances. The audit determines the orientation of the human resources professionals towards a more active and more concrete contribution to the organizational success. The human resources audit can be a strong indicator to a departmental and organizational change

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