Conducting an HR Audit: How HR Can Better Measure the Effectiveness of its Functions and Programs?

By Judith Brown, Director of Research
Introduction

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Redefining the role of HR

The historical role of Human Resources has changed dramatically since its inception in the early 1900s. What began as a primarily clerical function is now a strategic partner in planning and attaining organizational policies and goals. Today’s business climate puts the onus on the HR department to accept the challenge of doing more with less, while contributing value toward business objectives. Human resources also has to address the rapidly changing conditions affecting the type of employees required and their changing needs, so the function requires flexible and knowledgeable practitioners. HR strategic planning has become an integral part of doing business and it is important that human resource professionals be both professionals in the field and competent business persons.

In order to walk the talk of being a “business partner,” HR managers have to provide real evidence that they are having a strategic business impact. Management is often asking, “How are we doing?” However, this is not always an easy question to answer. This is especially so, when it is difficult to obtain some type of objective measuring tool to determine how well a certain HR function is performing.

To legitimize the claim of being “business partners”, HR managers must clearly demonstrate how HR services can accomplish the business objectives set forth by the organization. The HR function is often overlooked for audits/measurement tools, to assess its effectiveness and legal regulatory compliance. However, the HR Audit is a process that sets the stage for a true transformation in HR strategy and services. It links HR systems and services to organizational objectives while focusing on the business needs of internal customers.

Purpose of HR Auditing

The purpose of the HR Audit is to conduct a more in depth analysis of the HR function to identify areas of strength and weakness and where improvements may be needed. Conducting an audit involves a review of current practices, policies, and procedures, and may include benchmarking against organizations of similar size and/or industry. Areas that should be audited include, but are not limited to:

- Legal compliance (EEO, AA, ADA, FMLA, IRCA, etc.)
- Record-keeping (personnel files, I-9s, applications, etc.)
- Compensation/pay equity
- Employee relations
- Performance appraisal systems
Legislation affecting all aspects of Human Resources is constantly evolving and the legal ramifications of noncompliance impact the HR department, the organization, and its employees. An HR Audit can help to ensure legal compliance while measuring the effectiveness of HR programs. There are many reasons why an HR Audit should be conducted, and the results can be used for multiple purposes. At a minimum, the results of an audit help you to determine what needs to be done, how these changes will impact the bottom line of your organization, and how to prioritize problem areas in terms of significance.

It is hoped that this manual will demonstrate how to position your HR plans to support and enhance your organization’s goals. Step confidently into your role as a strategic business partner. Good luck in your journey.

The Auditing Process

Auditing involves the regular and systematic examination of organizational practices and accomplishments vis-a-vis organizational objectives, company policies, legal requirements, and/or professional standards. Effective audits pinpoint the gaps between “what is” and “what should be” or “what could be.” By removing or reducing the size of the gaps, an organization can increase legal compliance, ensure conformance to established professional standards, and/or contribute to the quality improvement process.

In finance and accounting, auditing is routine. Financial audits are regularly performed and their findings submitted to senior management and the board of directors. The audit typically involves a review of an organization's financial policies and practices against established accounting standards and recommended practices. The annual reports of public organizations include a statement from an independent certified public accounting firm verifying that the financial statements are truthful and comply with normally accepted practices and standards.

Stakeholders rely on the independent financial audit to oversee the fiduciary role of management and the board of directors. Larger organizations rely on internal auditors to review, on a continuous basis, the operational and financial performance of the operating departments, divisions, and subsidiaries.

In human resources, auditing is not routine. There are no laws or regulations requiring employers to engage an independent auditor to audit company policies and practices. However, because of the complexity of state and federal labor laws and regulations, it is
common for employers to rely on their attorneys to review their human resources policies and practices. Larger and more established organizations, moreover, have developed internal guidelines for self-appraisal or independent review.

Success Factors and Other Issues

**A Question of 'Ownership'**

The very idea of an audit generates fear. In the typical scenario, an auditor, internal or external, comes in at senior management's request to examine and look for discrepancies between management practices and applicable policy or legal requirements. A formal written report to senior management usually follows. If some major discrepancy is found, remedial action, including the possible removal of the offending manager, is recommended.

Here, auditors appear to act as “agents” for senior management—the client—and, as a result, are responsible primarily for performing “due diligence.” Their role is to satisfy their client's predefined needs, no more and no less. The role of the target audience—functional or operating management—tends to be somewhat passive. Fear of reprisal, real or imagined, that uncovered gaps will result in career derailment or termination becomes a strong motivator for doing things to pass the audit, and to impress upper management. The due diligence or compliance audit, then, is not used as an organizational learning initiative; hence, its value as a tool for organization renewal is limited.

For an audit to lead to organizational learning and improvement, the target audience must be heavily involved in the auditing activities, and concur with—in fact, own—the audit's goals and objectives. Achievement of tangible operating benefits, moreover, must be made a concurrent purpose.

The foregoing suggests that there are two distinct, separate and overlapping auditing requirements: (1) to meet management's fiduciary responsibilities, and (2) to stimulate and facilitate continuous improvement. The former, externally sanctioned, addresses problem prevention; the latter, internally sanctioned, focuses on continuous improvement.

**Success Criteria**

Often, when launching an audit, the reasons for the audit are not well understood and its “success criteria,” which help identify the factors that will be used to evaluate the audit's relative merits, that is, its usefulness in improving individual and group performance, are not fully articulated. Since an audit can have multiple goals, the purposes and associated success criteria must be clearly defined and communicated up-front.

Examples of specific purposes for an audit are:
• To examine an organization's compliance with established regulations and/or company policies.
• To explore how to better serve the needs or satisfaction of the relevant users or constituencies-management, employees, or the community.
• To streamline the work processes used to carry out functional work, such as recruiting, compensation, training, benefits, etc.
• To establish an “early warning system” to spot problems or identify issues before they become crises.
• To measure continuous improvement by asking whether things have gotten better or worse as a result of a functional initiative.

Essential elements to success are:
- Clear objectives, established up-front.
- Appropriate resources, that is, staff skills, budget, an tools and materials required to plan and execute the audit.

**Defining the Audit**
As can be seen from the sample purposes above, an audit can have a compliance bend or a continuous improvement bend. Depending on the objective, the process and methodology for executing the audit will be different. **Compliance auditing** involves the systematic comparison of human resources practices against policy and/or legal requirements. The output of the audit is a list of gaps between *what is required* and *what is being done*.
Continuous improvement auditing is the systematic process of identifying gaps in functional or organizational performance between what is and what could be or what should be. The output of the audit is a list of opportunities for increased effectiveness and efficiency.

Service quality auditing is a specific example of continuous improvement auditing. In this type of audit, the focus is on the alignment of the human resources unit's response to internal customer (management or employee) demands. Alignment is defined in terms of customer satisfaction vis-a-vis the perceived importance the customer attaches to the target service.
The matrix that follows illustrates the relationship of a substantive or procedural issue to a strategic or operational focus of a human resources audit.

**Design Considerations**

Compliance and service quality audits are relatively easy to design and implement because they are comparative. Continuous improvement audits are more difficult to design and implement because they attempt to measure organization performance. Designing a continuous improvement audit, therefore, requires that certain precautions be taken:

- The focus of the analysis should not be arbitrary. Rather, it should follow an underlying frame of reference that is, in itself, appropriate to and derived from management practice and research.

- Given that organizational problems may come from and occur in any part or aspect of a system, the audit should comprehensively address the entire organization's "properties," that is, the performance variables, including, for example, strategy, structure, goals, technology, and systems.

- The audit should focus on events and conditions taking place early in the causal sequence. This approach implies less emphasis on outputs (results) and more concentration on inputs (plans and resources) and throughputs” (the processes).

- The audit should be directed at areas that can yield some tangible results, as opposed to areas that are difficult or impossible to influence or change.

**Identifying the Client**

Compliance audits typically are sanctioned by executive management as an extension of its fiduciary role. Continuous improvement audits typically are initiated at the request of senior human resources executives as a part of their productivity improvement goal.

Compliance audits usually are carried out by persons from outside the functional area. Continuous improvement audits usually are performed by a combination of resources internal and external to the function. These relationships are depicted in the following matrix.
The Auditing Process

Getting Started

Developing a Checklist
After audit goals and success criteria have been defined, it is helpful to develop a checklist that can be used to determine the presence or absence of certain practices, and to compare and contrast practices with policy or legal requirements. For example:

- *What policies should be audited?* The selected policy should be stated, followed by an indication of how one would verify that the policy is being carried out, and, ultimately, by measurement of the degree to which compliance or lack thereof is taking place.
• **What practices should be audited?** The selected practice should be stated, followed by what the policy or law requires, and, ultimately, by measurement of the degree to which compliance or lack thereof is taking place.

• **What records should be reviewed?** The selected record should be stated, followed by what the record should contain, and, ultimately, by measurement of the degree to which compliance or lack thereof is taking place.

• **What trends should be tracked?** The selected trend should be stated, followed by an “X-and-Y” chart defining the measurement points, and ultimately, by analysis of the implications of the historical data plotted on the chart (for example, cost per hire, cost per placement, pay rates, headcount, benefit costs, tardiness and absenteeism, turnover, training expenditures, etc.).

• **What analysis will be done?** Audits lead to tremendous insights in and understanding of how an organization functions. However, reducing information obtained from an audit to meaningful components can be overwhelming. Experience has shown that by following the sequence suggested below, the auditor can navigate more quickly through the data and compress the analytical process. As the auditor moves through the data-reduction process, analysis should become more complex and intuitive.

**Description:** Questions to be asked during the audit should be framed to solicit a written or oral description; for example: What are the key objectives? What is the mission? Transcribing the answers makes it possible to later engage in systematic verification through comparison with existing written records and reports. Inconsistencies usually are the result of unequal access to information.

**Clarity:** Once descriptive information has been collected, the next step is to probe for common understanding. Often, discrepancies among individuals as to what something means is the result of poor communication.

**Agreement:** Individuals may be consistent and accurate in providing requested information, but may not agree with it. Although not every one must agree with every one else on every issue, in fundamental areas such as goals, performance expectations, roles, direction, and strategy, the key principals must agree if the organization is to be successful. Lack of clarity and inadequate information may be reasons for disagreement, but such disagreement is easily resolved. It is far more difficult to try to resolve differences in philosophy, policy, and style.

**Fit:** Individuals may be clear and agree on a course of action, but clarity and agreement are not an indication that a particular action is the right one to take. The organization may not have the resources to implement the action; managers may not know how to carry it out; and, most important, the action may be undesirable from the user's or customer's perspective.
Planning Questions

The word “audit” comes from the Latin verb audire—to listen. Listening is used here in a broader sense than just listening with our ears. It includes using our eyes, as well, when we search for answers to important organizational or functional issues.

Developing a systematic set of questions to take the place of eyes and ears can be tedious. Avoiding significant omissions and preventing duplication are key.

The answers to the auditor's questions must lend themselves, to the extent possible, to quantitative analysis.

For example, the auditor may start with an open-ended question and immediately follow with some specific and quantifiable follow-up questions. The respondent's answers, when plotted, should illustrate both strong and weak performance points. In order to measure the net contribution of any one factor to output, it is useful to determine what might or would happen to output if all other inputs remained the same.

Collecting Data

Collecting information can be laborious and time-consuming. Depending on the size of the target audience, the available time, and the type of data to be collected, it may be necessary to use and blend the strengths of a number of different data collection methods. Such methods include interviews, questionnaires, a review of relevant records, observation, or a combination of these methods.

Sources from which HR data can be obtained for auditing purposes include: human resources policies, the HR mission statement, employee handbooks, affirmative action plans, employee surveys, absenteeism and turnover studies, cost per hire studies, employee lawsuits, bulletin board notices, organization charts, published salary surveys, EEO compliance reports, classification studies, operating budgets, and workers' compensation claims. Sources of data for a more specific auditing purpose, say, staff performance, might include manager assessments, self-assessments, and surveys and interviews.

Analyzing Audit Data

After data are collected, it is important to examine the information with an eye toward assessing readiness for change and identifying possible reasons for resistance to change. Resistance, whether based on real or perceived fears, will be a formidable block to action-consideration and action-taking, which result from analysis and application of audit results. The more information available as to what may trigger resistance, the better will be the quality of the recommendations suggested to overcome it.
Readiness for change can be measured using “force field analysis”—what organization development practitioners call the “unfreezing-refreezing” method. A force field analysis makes HR incumbents examine the restraining forces (-) on one side and the positive forces (+) on the other for any given status quo situation. Restraining forces are for maintaining the status quo; examples are: inertia, threat to social status, job security, lack of motivation, lack of resources, etc. Positive forces are for changing the equilibrium. Improved job satisfaction is one example of a positive force; others are: “Management is asking for it.” “People want to do it.” “The law requires it.” “Employees are asking for it.” Unless the balance of forces is altered, no change is likely to occur.

Not all the forces, restraining or positive, are of equal strength; some require significant effort (that is, reduce, eliminate, or add), while others are relatively easy to change (that is, add or increase). The balance of forces can be changed either by adding new positive forces or eliminating one or more negative forces. Taking the latter action is recommended, because it does not add tension to the status quo situation; its effect is to turn a negative into a positive. Adding positive forces does add tension, and the minute management takes its eye off the ball, the situation reverts back to the status quo.

**Next Steps**

Ultimately, to be useful, an audit must clearly communicate its findings and their consequences, and suggest ideas for improvement. To the extent that management can “see” the benefits of any suggested changes—and believes that the cost of acting is reasonable—the likelihood that changes will be implemented is higher.

Once the audit data are analyzed, a number of gaps (“what is” versus “what should be” or “what could be”) will surface for which measurable “payoffs,” such as cost avoidance, litigation avoidance, increased productivity, greater job satisfaction, better customer service and satisfaction, etc., should be obvious. Not all gaps will be the same. Some, if resolved, will yield an immense payback; others will produce only marginal benefits.

Action-taking—applying the “lessons” contained in the data analysis or suggested by the list of opportunities for increased effectiveness and efficiency—requires first identifying the areas where payoff or risk is apt to be greatest, then programming those actions that will reduce or eliminate the gaps, and, finally, taking measurements, over time, to ensure that the actions taken are yielding the anticipated results at the expected cost without triggering undesirable side effects.

**Sample Audit Questions**

Exhibits 1-3, following, provide examples of the kinds of questions that can be asked to determine the effectiveness of the human resources function as an organizational unit, as a specialized staff resource, and as a service provider.
Exhibit 1. ORGANIZATIONAL EFFECTIVENESS

This category of inquiry is designed to help identify gaps in the effectiveness of the human resources function as an organizational unit of the entire enterprise. The dimensions and elements in this category are generic and can be applied to other functional areas (e.g., marketing, finance, service, manufacturing, etc.).

Organization Mission and Purpose

1. What is the purpose of human resources in this organization?
   a. What are management's expectations?
   b. What are employees' expectations?
   c. What is the mission of the HR function?

2. What are the major human resources objectives?
   a. Are the objectives consistent with the organization's mission?
   b. Are the objectives communicated clearly?
   c. Are the objectives agreed upon by the key people?

3. What are the principal human resources initiatives at present?
   a. What business needs are driving any or all the initiatives?
   b. What legal obligations are behind any or all initiatives?
   c. What contractual requirements are pushing any or all initiatives?

4. What are the critical priorities at present?
   a. What accounts for these priorities' importance?
   b. What is the relative weight of each priority?
   c. What progress has been made in fulfilling these priorities?

Human Resources Structure

1. What is the role of the human resources function?
   a. In what areas does HR advise? To whom is advice given?
   b. In what areas does HR exercise control? Who has authority in each area?
   c. What services does HR provide in which areas? To whom are services provided?

2. What is the reporting relationship?
   a. At the corporate level, to whom does HR report, and why?
   b. At the divisional or subsidiary level, to whom does HR report, and why?
   c. Are there any issues associated with reporting? If yes, why?

3. What are the accountabilities?
   a. At the corporate level?
   b. At the divisional or subsidiary level?
   c. What are the consequences, positive or negative?

4. What is the authority level?
   a. At the corporate level?
   b. At the divisional or subsidiary level?
   c. Are these levels commensurate with the accountability areas?
Management Systems

1. What planning mechanisms are used?
   a. Are strategic, long-range, and operational plans in place?
   b. How does planning link to and/or support company plans?
   c. What is the level of involvement in company planning activities?

2. What performance management tools are used?
   a. What critical performance factors are tracked?
   b. How are these factors tracked?
   c. What internal or external benchmarks are used?

3. What management systems are used?
   a. For budgeting?
   b. For communications?
   c. For coordination?

Functional Management

1. What is the level of know-how in the human resources function?
   a. Functional disciplines (staffing, compensation, benefits, employee relations, management and organization development, health and safety, and human resources systems)?
   b. Business and general management?
   c. Current versus evolving needs of the business?

2. What is the HR function's ability to design and deliver services?
   a. Meeting internal customers' requirements?
   b. Managing the costs to deliver services?
   c. Pooling and accessibility of services?

Reward Systems

1. How competitive are financial rewards?
   a. Base compensation?
   b. Incentives?
   c. Benefits and perquisites?

2. Are there appropriate non-financial rewards?
   a. Promotional and growth opportunities?
   b. Job satisfaction?
   c. Recognition and involvement?

Human Resources Leadership

1. What is the human resources philosophy?
   a. Productive working environment?
   b. Employee relations policies?
   c. Performance management?

2. What is the leadership style?
   a. Delegation?
b. Involvement?
c. Participation?

3. What is management's “time horizon”?  
a. Short- versus long-term?  
b. Conceptual versus specific?  
c. Strategic versus operational?

**Exhibit 2. FUNCTIONAL EFFECTIVENESS**

*This category of inquiry aims to identify gaps in the effectiveness of the human resources function as a specialized staff resource. The dimensions and elements are more specific.*

**Methods and Standards of Performance**

1. Are functional goals specific and understood?  
a. Are the goals so well-defined that they are not only clear, but also unmistakable?  
b. Has the understanding been reduced to words on paper and made available to those affected?  
c. What is HR's level of commitment to providing superior service to management and employees?

2. Into what programs are HR's goals divided?  
a. Are these programs clear-cut?  
b. Are interrelationships among programs recognized and provided for?  
c. Is program planning coordinated with overall planning?  
d. Is the service strategy feasible?

3. Are human resources policies clearly set forth in written form?  
a. Are the policies understandable?  
b. Are the policies current?

4. Has there been a development and maintenance of methods and standards consistent with accepted policies, such as cost, quality, and service?  
a. Are recurring tasks standardized?  
b. Are the skills to deliver them available?  
c. Are roles clear and unambiguous?  
d. Is teamwork fostered and rewarded?  
e. Are incumbents service-oriented?  
f. Are the necessary tools available to employees?

5. Are human resources procedures in written form?  
a. Is their coverage sufficient?  
b. Are they current?  
c. Are they useful as training aids?  
d. Are they actually being followed?

6. Are position descriptions available for the organization at large?  
a. Are they current?  
b. When were they last updated?

7. Have reasonable standards of performance been established for each HR activity to facilitate management control and review?
a. In terms that allow comparison?
b. By the managers who are responsible for them?
c. Do the standards allow for adjustment?

8. Are there records that show currently the headway each person is making toward his or her goal within the function and organization-wide?
a. Is there a method whereby these records are interpreted to the person so that he or she can take proper action?

9. Is there, company-wide, a periodic performance review related to individual achievement as compared with a standard?

10. Is there an improvement program for the human resources function?

11. Have methods studies been made for the purpose of combining, simplifying, and improving operations and devising “better” ways of carrying out human resources work?

**Employee Behavior and Well-Being**

1. What is the environment—the mental and emotional atmosphere created by the top functional manager—within which the human resources employee must function?
2. What forces determine or limit the behavior of the human resources employee in relation to others in the organization?
3. What is the company image of a “good” human resources employee?
4. Does the human resources organizational philosophy encourage desirable risk-taking?
a. Is the possibility of making a wrong decision accepted?

5. Is functional leadership provided, and is its development encouraged?
6. Is all pertinent information about the company made widely available?
7. What evidence is there that the HR function locates people of ability and integrity and then encourages them to undertake desirable action?
8. Are originality of thought, creativity of ideas, and critical evaluation of past practices encouraged and accepted?
9. Is university recruiting limited to a relatively small number of colleges and universities?
10. What is the evidence that the HR function and the organization at large have a highly motivated workforce?

**Management Depth**

1. Has a management inventory been made functionally and at the company level?
2. Is every critical function backstopped by capable substitutes?
3. Is there a satisfactory distribution of management personnel regarding age?
4. Is there a systematic plan for developing managers within human resources and within the overall organization?
5. What evidence is there of management foresight regarding the employee relations climate and alertness to changes in external conditions?
6. Is there a management incentive plan?
7. Are executive HR staff suited to the needs of the company, and do they function harmoniously?
8. What is the rate of turnover for human resources personnel?
9. Is it a stated policy to promote from within?
a. Is the policy followed?
b. Are explanations provided where policy is not followed?
10. Is there a mandatory age limit to retirement?
   a. Is it observed without exception?

11. How is the organization structured to provide opportunities for management development?
12. Are individual jobs expansive enough and responsibilities such that a person can “grow” in the job?

**Policies and Procedures**

1. Are HR policies explicit, and do they extend into most areas of operation?
2. Are HR policies kept current and developed as needed to meet problems that arise?
3. Are performance standards explicitly expressed?
4. Is there a formal process for reviewing and updating HR policies and procedures?
5. Are HR managers and employees formally oriented to specific policies and procedures?
6. Are policy deviations recorded and used for policy updates?
7. Are updates and changes to policies timely communicated to those responsible for carrying them out?

**Employee Selection and Placement**

1. Where does the HR function obtain its people? How are staff selected?
2. Is there a philosophy of advancement and improvement throughout the company?
   a. How is that philosophy applied?
3. How stable is the HR workforce (and the workforce of the organization at large)?
   a. Are attrition rates higher or lower than those of competitors? Why?
4. Are HR employees encouraged to rotate to other jobs?
5. Are employee acquisition costs lower or higher than competitors' costs? To what is the difference attributable?
6. Is the acceptance-to-offer ratio lower or higher than that of competitors? To what is the difference attributable?

**Employee Compensation**

1. What is the compensation philosophy of the company?
   a. Is that philosophy connected to competitive positioning?
   b. Is it well articulated within the company?
2. Does the company pay competitively?
   a. Within the industry?
   b. Within the geographic area?
   c. For the critical occupations?
3. Is there internal consistency in the administration of compensation programs?
4. Is compensation based on performance?
   a. How is performance measured?
   b. Are performance standards established?
   c. Is the individual employee involved in the planning and evaluation processes?
5. Is the company competitive in its benefits and perquisites?
   a. Within the industry?
   b. Within the geographic area?
   c. For the critical occupations?

**Exhibit 3. SERVICE QUALITY**

This category of inquiry aims to identify gaps between customer demands and the human resources function's response to these demands. An essential element of analysis is the relative importance of a given service demand vis-a-vis the level of service provided by the HR function. Four scenarios are possible: (1) Services of high importance that are well-serviced, (2) services of low importance that are well-serviced, (3) services of high importance that are not well-serviced, and (4) services of low importance that are not well-serviced. The findings can be used to decide what services should be improved, what services should be discontinued, what services may require more education regarding their merits, and, most important, what services should be left untouched.

**Service Quality Dimensions**

**Reliability**
Ability to perform the promised service dependably, accurately, and consistently.

**Responsiveness**
Willingness to help customers and provide prompt service.

**Courtesy**
Politeness, respect, consideration, and friendliness of the contact staff.

**Competence**
Possession of necessary skills and knowledge to perform a given service.

**Credibility**
Trustworthiness, honesty, and integrity of the service organization.

**Accessibility**
Ease of contact and approachability of the service organization.

**Communication**
The process of keeping customers informed, in language they can understand.

**Understanding Customer Needs**
Ability to determine customer needs.

‘Packaging’
Appearance of the physical work area, equipment, personnel, and information.

**Services Provided**
This section must address the specific services, such as those listed below, that are provided to customers. Each listing must fully describe what the service includes. Experience has shown that
customers may, on occasion, have not used the service; therefore, it is important to first ask whether customers have used the service.

- Recruiting
- Orientation
- Career planning
- Counseling
- Skills Training
- Safety Training
- Incentives
- Wellness
- Job Design
- Claims Administration
- Labor Negotiations
- Company Newsletter

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**SAMPLE SELF-AUDIT QUESTIONNAIRE**

**Commonwealth of Virginia**  
**HR Department**  
**101 N 14th Street**  
**Monroe Building, 12th Floor**  
**Richmond, VA 23219**  
**Tel: (804) 225-2131**

**1. DEPARTMENT ORGANIZATION**

The Human Resources Department is structured, organized and equipped to provide overall strategy, direction and effective management of the organization's human resources function to accomplish organizational objectives.

1. Is there one department or function within the organization that is responsible and accountable for planning, establishing, overseeing and coordinating all human resource policies, systems and services for all 11 major categories? _____

2. Does the senior-level human resources manager report to the same level position as all other major staff and line departments within the organization? _____

3. Does the senior human resources manager participate in addressing the organization's strategic, tactical and policy issues? _____

4. Does the senior human resources manager integrate all HR activities with the organization's strategic business plan. _____

5. Does the Human Resources department demonstrate a clear understanding of organizational and customer needs? _____

6. Are HR services and functions aligned and prioritized to organizational and customer needs? _____
7. Has a department mission statement been developed explaining its purpose within the organization?  
_____
Has this mission statement been communicated to all management personnel?  
_____
Has this mission statement been communicated to other customers throughout the organization?  
_____
If so, to whom?______________________________________
How?______________________________________________

9. Does the Human Resources department take a lead in striving for a more empowered and participative work force (productivity improvement, cost reduction, quality improvement and improved quality of work life programs)?  
_____

10. Has a Human Resources department organization chart been published and distributed?  
_____
If so, to whom?______________________________________
Does the organization chart clearly define functional responsibilities and whom customers can contact for service?  
_____

11. Are job descriptions established for all HR personnel stating major job objectives, responsibilities and accountabilities?  
_____

12. Do all HR personnel understand their respective roles and relationships to others in the department?  
_____

13. Are department personnel cross-trained to perform duties outside their major areas of responsibility?  
_____

14. Do they work on team and department task force projects?  
_____

15. Are department personnel professionally and technically competent?  
_____

16. Do they serve as internal consultants to management as well as counselors to employees?  
_____

17. Does the department staff work well as a team?  
_____

18. Are they readily accessible to all customers?  
_____

19. Are department personnel provided adequate training and professional development to meet organizational challenges and demands?  
_____

20. Is involvement in professional and technical groups encouraged?  
_____
Does the department subscribe to major technical and professional journals?  
_____

21. Is there a credible performance appraisal in place clearly stating mutually established goals and objectives for department personnel?  
_____

22. Are human resources staff compensated according to market standards?  
_____
Are they compensated based on comparable positions within the organization?  
_____

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23. Does department staff effectively balance organizational with employee needs and act as an intermediate for both? 

24. Is the Human Resources department results-oriented (i.e., measuring cost-effectiveness and the bottom-line results of human resources programs)? 

If so, is it attentive to the bottom line and does it demonstrate a business orientation? 

25. What is the span of control of the top position within the department (i.e., how many and which positions report to it)?

____________________________________________________________________________________
____________________________________________________________________________________

26. Are supervisors or managers reporting to other mid-level managers? 

27. How many employees are in the Human Resources department? 

28. What is the ratio of HR department staff to all employees served? 

29. How does this compare to the staffing levels of other comparable organizations offering similar services? 

26. Are HR needs and programs accounted for in the organization's budgeting process? 

27. Does the organization make plans for ensuring that HR's future needs are met? 

28. On a scale of one to seven (seven being the highest and four being adequate), how would the Human Resources team rate the overall effectiveness and structure of your Human Resources department? 

29. On the same one-to-seven scale, how do you think other department heads would rate the overall effectiveness and structure of the HR department? 

30. On the same one-to-seven scale, how do you think the employees would rate the overall effectiveness and structure of the HR department? 

Self-Audit Questionnaire Evaluation:

1. DEPARTMENT ORGANIZATION

For each of the 11 categories, the Self-Audit questions are designed to rate how well the HR department achieves the purpose of the category definition stated at the top of the questionnaire: Is the HR department structured, organized and equipped to provide overall strategy, direction and effective management of the organization's human resources function to accomplish the organization's objectives?

Questions one through nine explore how department leaders achieve organization objectives, are part of management’s strategic planning effort and assist in making decisions that affect bottom-line results. These questions both help ensure that HR’s efforts are in accord with customer needs and suggest ways HR teams can take the lead in helping customers get the most out of the organization's human resources.

Questions 10 through 26 address communicating department functions and services to all customers, staff objectives and internal relationships, staff’s dual role as internal consultants to management and counselors to employees, staff competence and flexibility, cross-training, balancing employee needs with business needs and a bottom-line results orientation.
The components of questions 25 also relate to staff size, structure and span of control. Industry-specific standards for staff size are available from a variety of professional publications, such as the Saratoga Institute’s "HR Effectiveness Report" and national and regional statistics compiled by the Bureau of National Affairs (BNA). Any surveys that relate specifically to your type of organization will make that benchmark more credible.

Questions 26 and 27 address resources and planning to ensure the delivery of required services.

Self-Audit Questionnaire

2. HUMAN RESOURCES PLANNING/ORGANIZATIONAL DEVELOPMENT

The process of identifying and providing ways to fulfill the organization’s developmental and human resource needs.

1. Is there one position accountable for reviewing the organization’s human resources requirements? _____

2. How is this review carried out?

Formally/informally? (please describe) _______________________________________
___________________________________________________________________________
___________________________________________________________________________

3. How often is this analysis updated (e.g., yearly, every two years, three years or more)?

____________________________________________________________________________

4. Do your projected needs include the following considerations?

Availability of outside workforce demographics (age, sex, minority classification, education, skills level, occupations, etc.) _____

Anticipated changes in your organization's technology, processes, products/services and markets. _____

Personnel needs these changes will require (e.g., new skills, education, knowledge and abilities). _____

5. Which sources outside the organization provide these demographics?

____________________________________________________________________________

6. What sources within the organization provided this information?

____________________________________________________________________________

7. To whom are these projections communicated?

____________________________________________________________________________

How often? _______________________________________

How far into the future? ______________________________
8. Is there one position accountable for reviewing and assessing the HR department’s skills, education, interests and needs? _____

9. How is this assessment carried out (formally or informally)? (Please describe.)

_____________________________________________________________________________________
_____________________________________________________________________________________

10. How often is this assessment updated (e.g., yearly, every two years, three or more years)?
_____________________________________________________________________________________

11. To whom are this assessment and any projections communicated?

_____________________________________________________________________________________
How often? ______________________________
How far into the future? ______________________________

12. Are this assessment and projections used for training and development? _____

13. Are this assessment and projections (workforce requirements) used for career planning (matching organizational and individual skills, abilities and needs)? _____

14. Is there a formal career planning process in place? _____

15. Is there a career counseling system to identify individual skills, interests and needs, and which offers in-placement and/or developmental assistance? _____

16. Are high-potential employees identified for key positions? _____

If yes, is there a succession plan to target high potential employees? _____

17. Are human resource projections (i.e., numbers, job classifications, skills, knowledge, ability and educational levels) identified in the recruitment plan? _____

How far into the future? ______________________________

18. If the human resources plan calls for restructuring or downsizing, are there strategies set to deal with displaced employees? _____

Is outplacement assistance offered? _____

Are there strategies to support remaining employees? _____

19. Are the human resources projections a part of the organization's budgeting process? _____

20. Does the organization have plans for ensuring it’s development and human resource needs are met? _____

22. On a scale of one to seven (seven being high and four being adequate), how do you think the HR staff rates the human resources planning/organizational development process? _____

23. On the same one-to-seven scale, how do you think other departments would rate the human resources planning and organizational development process now in place? _____
Self-Audit Questionnaire Evaluation:

2. HUMAN RESOURCES PLANNING/ORGANIZATIONAL DEVELOPMENT
Affirmative answers to all the questions in this section means the organization's development and human resource needs are being met. The emphasis is on connecting organizational development and workforce need projections with internal and external workforce skills. [Exhibit 12, the Customer Satisfaction Survey beginning on page 43, illustrates this process.]

Questions one through seven deal with influences on the planning process (changing workforce, markets and customers, products, services, technology/skills base and identification of external supply).

Questions eight through 17 deal with internal assessment and availability of these same considerations: organizational development activities in management development, training, career and succession planning to satisfy workforce demands within the organization. If the internal labor supply is greater than the need, then the tougher issues of resource reallocation have to be addressed (questions 18 and 19).

Human resources planning is particularly important for emerging, rapid-growth and high tech businesses. Mature businesses in need of new products, services, markets, acquisitions or divestitures must also plan to identify, attract or reallocate the talent necessary for revitalization and continued competition. A good example of the need for adequate human resources and organizational planning is given in the article "Inevitable Forces for Change in America-1988 to 2000" by Gregg Edwards and David Pearce Snyder (see References and Recommended Readings, page 149):

Here's a little piece of information about that technological revolution, a headline from an article reporting on a study by Worldwatch Institute back in 1980: Micro Electronics Seen Producing Sweeping Industrial Change. That's certainly old news about the future, but there's a reason to go back to this story to remind us they told us what was going to happen. Most of us just didn't pay attention.

Self-Audit Questionnaire

3. RECRUITMENT AND SELECTION
The process providing timely recruitment, selection and placement of high-quality employees to satisfy the organization's staffing requirements.

1. Is there a policy in place stating the organization's philosophy on recruitment and selection? _____

2. Does the policy contain procedures to guide managers through the recruitment and selection process and describe how to get help? _____

2. Is there one position within the organization accountable for overseeing and coordinating recruitment and placement? _____

RECRUITMENT

3. Is there a formal process in place for identifying job vacancies? _____

4. Briefly describe the process from needs identification through final approval authorization.________________________________________________________________________
_____________________________________________________________________________________

_____________________________________________________________________________________
5. Is recruitment done proactively from a planning mode (i.e., projected workforce plan) as well as reactively to immediate replacement and new job openings? 

Is recruitment linked to human resources planning (projected workforce requirements)?

6. Is a job analysis conducted for each position? 

Does the job analysis accompany the hiring authorization? 

Does the job analysis accurately identify the key objectives and responsibilities of the position? 

Does the job analysis accurately identify the essential ‘can do’ skills needed (i.e., skills, abilities, knowledge, education and experience)? 

Does the job analysis accurately identify the essential ‘will do’ skills needed (e.g., leadership, interpersonal, entrepreneurial, communication and good attitude)?

7. Is consideration given to internal candidates for all or some job openings before outside recruitment begins? 

If some positions are determined not to be filled from within, how is this determination made? 

____________________________________________________________________________________

____________________________________________________________________________________

8. Is there a formal job posting procedure in place? 

If so, does the job posting contain the job objectives, needs and requirements cited in the job analysis (#6 above)?

9. Are recruitment strategies (methods to obtain qualified candidates) set before active recruitment begins? 

Who participates in the strategy development? 

____________________________________________________________________________________

Does this strategy include affirmative action and diversity needs? 

10. What kind of recruiting sources does your organization use and for what positions:

Newspaper sources? 

Professional journals/periodicals? 

College recruiting? 

Special events recruitment (e.g., job fairs and expos)? 

Community referral agencies (e.g., state employment and training offices)? 

"Quasi-search" methods (e.g., hourly rate paid to recruiting professionals for targeted candidate sourcing or use of professional candidate researchers)? 

Employee referral? 

Internal computerized applicant database?
Professional networking (e.g., associations)?

Direct mail recruitment?

Personal networks (e.g., local competitors, customers, suppliers, outplacement firms or industry research)?

If so, please give examples:

_____________________________________________________________________________________
_____________________________________________________________________________________

11. Does your organization measure the effectiveness as well as the costs of these recruiting sources?

12. To whom are these performance measures and recruiting costs communicated?

_____________________________________________________________________________________
_____________________________________________________________________________________

SELECTION

13. Does the HR department perform all initial screening of candidates?

14. Are candidate telephone interviews, teleconferencing or video screening conducted before personal interviews?

15. How many candidates are typically interviewed before filling a position and at what levels?

_____________________________________________________________________________________
_____________________________________________________________________________________

16. Who participates in the interview and at what intervals?

_____________________________________________________________________________________
_____________________________________________________________________________________

How many people are typically involved in the interviewing process?

_____________________________________________________________________________________
_____________________________________________________________________________________

Are panel interviews used?

Who makes the final hiring decision?

_____________________________________________________________________________________

17. Are hiring managers trained in objective selection (e.g., interviewing techniques, position-related questions and legal implications)?

18. Are reference checks conducted on all candidates?

Who performs the reference checks?

_____________________________________________________________________________________
_____________________________________________________________________________________

19. Are tests or personality profiles used in the selection process?

Are they professionally validated?
20. Are drug tests administered to all new employees as a condition for hire? 

21. Does the organization compare the number of job openings and workforce projections with the HR department's recruitment and selection capacity? 

Are peak and low hiring cycles identified? 

22. Has the organization examined or evaluated any of the following alternatives to satisfying workforce requirements:

Project or contract outsourcing? 

Temporary placement? 

Internal temporary placement pool? 

Part-time employment and job sharing? 

23. Are all employment costs accounted for in the organization's budget? 

24. On a scale of one to seven (seven being the highest and four being adequate), how do you think the HR team would rate the effectiveness of the recruitment and selection process? 

25. On the same one-to-seven scale, how do you think other departments would rate the effectiveness of the recruitment and selection process? 

Self-Audit Questionnaire Evaluation:

3. RECRUITMENT AND SELECTION

The purpose of the Recruitment and Selection questions is to improve critical staffing needs in a timely manner and with quality candidates.

Questions three through 12 examine how the company attracts job candidates. Question ten deals with finding candidates. The more targeted sources appear at the end of the list. Cost-benefit analyses of all hiring sources (questions 11 and 12) will tell you where to place your recruiting energies and financial resources.

Questions on the selection process (13 to 20) may be more important to government agencies and contractors because of highly regulated selection criteria, affirmative action and diversity implications. Fiscal constraints and regional preferences may also restrict government staffing professionals to the most inexpensive sources, regardless of their results.

What makes a successful manager is the ability to influence positive behavior and to hire the best talent. HR professional counseling, guidance and training on effective interviewing and selection are essential to help managers make the right hiring decisions. It is also essential that the selection criteria be equally and consistently applied to all applicants.

Companies’ efforts to reduce both their workforce and their fixed labor costs have resulted in less costly ways to satisfy workforce requirements. These include outsourcing and temporary workers, which transfer costs on a variable basis. This is why Manpower, Inc. has become the largest employer in the U.S. today. If your organization uses these methods, be aware of possible long-term quality problems resulting from reduced commitment and lack of company pride.
Self-Audit Questionnaire

4. COMPENSATION

A system of evaluating jobs and compensating employees to ensure that the organization attracts, retains and motivates employees to accomplish organizational objectives.

1. Does the organization have a policy clearly stating its position on employee compensation? _____

Is this policy linked to the organization's management philosophy on compensating employees, and does it reinforce the values of the organization? _____

Is the organization's compensation philosophy clearly communicated to all employees? _____

Is it clearly supported and monitored by management? _____

2. Does the compensation policy contain procedures to guide managers on how to implement the compensation system? _____

3. Is there one position within the organization accountable for overseeing and coordinating all compensation-related activities (job evaluation, job classifications, job descriptions, salary administration, performance appraisal and compliance with all governmental pay regulations, including FSLA, ADA, compensable time and EEO regulations)? _____

4. Is there a process for keeping the organization aware of compensation paid for comparable job functions in the region? _____

Compensation paid to comparable exempt job functions nationwide? _____

Compensation paid to comparable exempt job functions industrywide? _____

How frequently are these market studies performed? _____________________________

5. Is your pay plan in agreement with the compensation philosophy of the organization? _____

Are pay ranges wide enough so as not to force vertical pay growth? _____

Are pay ranges wide enough and procedures available to reward additional knowledge, skills, abilities and responsibilities and encourage lateral career growth? _____

Do the intervals between ranges clearly define the differences in positions assigned to those pay ranges? _____

Are pay differences great enough to ensure that a subordinate is not paid more than his or her supervisor, including overtime payments? _____

6. Are all jobs classified using a consistent job analysis? _____

7. Are all job classifications reviewed for gender and minority equity? _____

Are all comparable jobs reviewed for possible evidence of uneven treatment for females or minorities? _____
8. Does your organization have an employee performance appraisal system? ____

Does the performance appraisal establish clear objectives, expectations and performance measurement criteria linked to that specific job? ____

Does the performance appraisal provide objective, interactive and meaningful feedback on performance? ____

Do performance objectives clearly support departmental and organizational objectives? ____

Are these objectives and measurement criteria discussed with the individual being appraised? ____

Do the employees have clear and direct control over the outcome of their appraisals? ____

Do performance appraisals reflect an employee’s positive behavior, as well as results? ____

Do performance appraisals include a written plan to improve employees’ knowledge and skills? ____

Are pay plans linked to rewards for measured performance? ____

Is the performance rating/pay adjustment reviewed by someone in a position higher than that of the rater before discussion with the employee and implementation? ____

9. Does your organization have a pay-for-performance (merit-based) system? ____

Does it work as intended, or is it a tool for compensation adjustment? ____________________________

Does an outstanding performance merit an outstanding reward? ____

10. Are compensation increases budgeted throughout the organization and are guidelines for distribution clearly communicated? ____

Are ranges and limits clearly defined (e.g., pay increments linked to performance measures)? ____

Is distribution of compensation among departments reviewed by management for consistency and equity before awarding increases? ____

11. Are other performance compensation awards (results sharing) appropriate and in place? ____

Profit-sharing awards based on organization-wide profitability. ____

Special recognition awards, e.g., bonuses for meeting a combination of results criteria, including department contribution performance, major productivity increases, sales and profit increases, and cost savings. ____

Group or team productivity based on team performance and distributed by team members. ____

Gain-sharing awards based on local performance. ____

A special pay-for-knowledge system, e.g., payment for increased development of employee knowledge, skills, abilities and/or responsibility (allowing a broader job design without changing assignments). ____

12. Does your organization have the capacity for a compensation strategy to attract, retain and motivate employees ____?
13. Are compensation administration costs included in the budget?  

14. On a scale of one to seven (seven being highest and four being adequate), how do you think the Human Resources department would rate the effectiveness of the compensation system?  

15. On the same one-to-seven scale, how do you think your internal clients (other departments and employees) would rate the effectiveness of the compensation system?  

Self-Audit Questionnaire Evaluation:  

4. COMPENSATION  

It is important for the organization to distribute a clear policy statement on its compensation philosophy to its employees. Guidelines are important to ensure consistency and equity in the reward systems. Compensation is probably the most objective aspect of HR management. You should be aware of this when scoring questions one through seven.  

Compensation methods can help motivate the fulfillment of organizational objectives. For this reason, compensation experts receive higher pay than other HR professionals. Major consulting firms specialize in this area because compensation affects the organization's bottom line.  

If compensation alone drove performance, companies with big payrolls would always be the most profitable, but that isn't the case. In fact, eliminating higher paid positions is the trend. Compensation programs should motivate and reward people for accomplishing organizational objectives.  

Companies need to find new ways to reward individual, team and other group performance. Reward systems should take into consideration self-directed work teams, cross-functional problem-solving teams, matrix management, taking on added work responsibilities and more risk taking. If the organization wants a closer correlation between compensation and quality work, then the recognition of team performance is critical. Questions eight through 11 deal with these incentive issues.  

Self-Audit Questionnaire  

5. EMPLOYEE BENEFITS  

Programs by which employees receive noncash compensation to ensure that the organization attracts, retains and motivates employees to accomplish organizational objectives.  

1. Does the organization have a clear policy regarding employee benefits?  

2. Is there one position within the organization accountable for fairly and consistently implementing employee benefit programs and ensuring compliance with governmental regulations, such as ERISA, COBRA, EEO and the Family and Medical Leave Act?  

3. Is the organization current on competitive employee benefit practices, such as childcare, flex-time, job sharing, vacation/sick time, time-off provisions and health plan alternatives?
HEALTH CARE COST CONTAINMENT

4. Is there a process in place to contain medical costs while offering quality health care to employees? 

5. Do you periodically gauge employee satisfaction with the benefit plan in terms of customer service, timeliness, claim management and accuracy? 

6. If employee dissatisfaction is high or costs are out of control or noncompetitive, do you put your benefit plans out to bid? 

How often does this occur? 

7. Does your medical cost containment review cover the following?:

A. Have you analyzed both of the following alternative health care programs for their cost containment processes, including services offered, accessibility, quality of care and cost? 

HEALTH MAINTENANCE ORGANIZATIONS (HMOS):

What are enrollment numbers for the past three years. (Rapid enrollment rates may result in poorer service.) 

Is the HMO accredited by the National Committee for Quality Assurance (NCQA)? 

Were any conditions attached to the accreditation? 

What is the public perception of the HMO (has it received bad press)? 

Have organizations similar to yours fared well under this HMO? (Ask for a list of clients and call some of them.) 

What are the exclusions or limitations on procedures, such as transplants, rehabilitative procedures and mental and nervous disorders? 

PREFERRED PROVIDER ORGANIZATIONS (PPOS):

In addition to all the questions for HMOS above, what is the ratio of network vs. non-network charges? 

Do employees accept the network doctors? 

B. Has HR reviewed the following administrative controls?:

In-house company data on premiums paid and claims processed?
Retention provisions of carriers, such as rebates or favorable rate consideration for retention of company funds? _____

More favorable stop-loss arrangements with a carrier? _____

Encouraging employees to report errors in medical bills? _____

Health-care spending accounts and changing rules? _____

Nonduplication of benefits instead of traditional coordination of benefits? _____

Initiating a probationary period before health coverage begins? _____

C. Has HR reviewed basic cost management programs, including the following?:

Increasing deductibles, coinsurance responsibility or copayment amounts? _____

Requiring second opinions for surgery? _____

Instituting pre-admission testing and certification? _____

Concurrent hospital stay reviews? _____

Closely managing chronic or costly illnesses? _____

Patient auditing of hospital bills? _____

Requiring employee plan usage data from health care carriers/administrators? _____

D. Has HR reviewed employee health promotion and education programs (see also Self-Audit Questionnaire #11)? _____

E. Has HR communicated with health care providers to review customized plan options and cost containment measures? _____

8. Are the costs of employee benefits regularly calculated and compared to national, industry and local data? _____

9. Are vacation and sick leave accruals analyzed for purpose as well as cost consideration? _____

10. Are there programs to control absentee costs? _____

11. Are there programs to curb sick leave abuse? _____

12. Are unemployment compensation costs analyzed for cost savings? _____

13. Are pension plans reviewed and employees counseled on win-win pension options that will save the organization money? _____

14. Does your organization offer retirement counseling to employees? _____

15. Are there benefits to extending the retirement age? _____

16. Should changes in long-term disability payments be considered? _____
17. Does your organization regularly communicate the benefits it provides as well as emphasize the company’s contribution to employee benefits? _____

18. Does your organization have the capacity to provide necessary employee benefits and address cost-containment issues that affect profitability? _____

19. On a scale of one to seven (seven being the highest and four being adequate), how do you think the Human Resources department would rate the effectiveness of employee benefits programs? _____

20. On the same one-to-seven scale, how do you think internal clients (department heads and employees) would rate the effectiveness of the employee benefits programs? _____

Self-Audit Questionnaire Evaluation:

5. EMPLOYEE BENEFITS

Employee benefits are necessary to attract and retain quality employees. Few organizations, however, are able to find new ways to contain costs and use benefits as an incentive to improve employee productivity.

Health care cost containment is covered in questions four to seven. Aggressive negotiations with carriers, a closer look at administrative controls and cost-benefit analyses must be routinely carried out if an organization wants to convert high costs into increased profits. An annual review of benefit plan vendors should be conducted, especially for health care services which consume a large portion of expenses. The remarketing of a benefit program, however, should take place no more frequently than every three to five years, unless there are serious concerns about rates, service or accessibility. More frequent remarketing of a benefit plan damages the credibility of the employer, in terms of seeming disinterested in a long-term relationship. In an insured arrangement, the vendor will be left ‘holding the bag’ on runout claims.

Pay particular attention to cost-management programs under question seven. Spending time on these details will result in better claims management. Question 7C should answer the following questions:

1. How were charges distributed between employees, the employer and other payers?

2. What types of services were used: hospital (inpatient, outpatient, emergency room), physician's services (inpatient, outpatient), lab, x-ray, durable medical equipment, supplies, surgical center, etc. Any category labeled ‘other’ on a report should account for no more than 5% of the total or require a detailed explanation.

3. What types of illnesses did employees experience? There should be at least 15 major diagnosis categories used on the report.

4. What are employees’ demographics?

You are entitled to this information. By monitoring how the healthcare plan is used, it is possible to decrease claim costs. Some negotiation with the carrier/administrator may be necessary to obtain reports in a meaningful format.

Because health care accounts for the largest portion of most benefit packages you should strive to raise your performance standards as an employer by applying your business strategies to health care management. According to David W. Kempen, Executive Director of Benefits for Chrysler Corporation, you should re-examine your standards for plan design, administration, communication and provider relationships with the goal of "best practices." Nonhealth-related employee benefits, such as vacation time, sick leave, pension formulas, retirement incentives, holidays and unemployment compensation tend to remain untouched. There
is literature which addresses these issues. They could save your organization quite a bit of money. See Michael Markowich's article "25 Ways to Save a Bundle" and Michael Mercer's book *Turning Your Human Resources Department into a Profit Center*. Both are listed in References and Recommended Readings, page 149.

Benefits can increase productivity by meeting lifestyle and family demands in a diverse and changing workforce. Daycare centers, flex-time, work-at-home options, alternate leave provisions, cash options and other benefit bartering arrangements may improve worker productivity. The principle that a happy worker is a more productive worker still holds. Likewise, funding benefits that do not meet the needs of the workforce are both counterproductive and unprofitable. A U.S. Chamber of Commerce survey (March 31, 1995) cites useful benefit cost benchmarks: total benefit costs as a percentage of payroll average 41.3% nationwide. Medical benefits account for 11.1% of the total.

Self-Audit Questionnaire

6. EMPLOYEE RELATIONS AND COMMUNICATIONS

This section audits programs that govern employee treatment, communications, support systems and services that encourage greater employee satisfaction, motivation and productivity.

1. Is there one position within the organization accountable for overseeing and coordinating all employee relations and communications activities? _____

COMMUNICATIONS

2. Are there policies that state the organization’s employee relations philosophy governing all conditions affecting employees? _____

3. Do these policies state expected behaviors of employees? _____

4. Are these policies condensed into an employee handbook? _____

5. How and to whom is the employee handbook distributed? ______________________
   ______________________________________________________________________

6. Is the employee handbook information reviewed by legal counsel to satisfy all laws affecting employment, personnel relations, working conditions, employment at will, implied employment contracts and disclaimer issues?

7. How frequently is it updated? _____________________________

8. Is there a formal orientation for new employees? _____
   Are follow-up employee orientations scheduled? _____

9. Are employees given the opportunity to exchange information with superiors as well as assimilate information being transmitted from the top down? _____
10. Are there forums that allow for regular interaction and information exchanges between employees and management? _____

If so, briefly describe: ________________________________________________________________
__________________________________________________________________________________

11. Are there forums in which racial and ethnic minority concerns are conveyed to management with the intent of affecting positive changes? _____

12. Does your organization engage in employee opinion surveys? _____

If yes, how frequently? _____

Do you communicate survey results to employees? _____

Is there a demonstrated commitment to introducing changes based on survey data? _____

EMPLOYEE TREATMENT

13. Are employees afforded a process where both sides of a complaint are heard and a decision is rendered fairly? _____

14. Are disciplinary procedures and rules of conduct explained in an employee handbook or other form of notice? (Remember, the purpose of discipline is to have people behave in an acceptable way.) _____

15. Are progressive forms of discipline expressly cited? _____

Are they consistently applied? _____

16. Are fairly competitive employee benefit programs in place? _____

17. Is there a program that provides for management and employee participation in the discipline process? _____

18. Are there opportunities for employee professional growth? _____

19. Does the organization demonstrate, emphasize and reward leadership to ensure success and satisfaction in the organization? _____

20. Using a one-to-seven scale how do immediate manager practices rate in terms of daily supervision and management of employees? _____

21. Has the organization demonstrated reasonable employment security? _____

22. Is direct compensation/pay reasonable, equitable and competitive? _____

23. Are employee and team accomplishments, special efforts and contributions recognized in addition to direct pay? _____

24. Does the organization encourage teamwork and employee involvement? _____
STATISTICS

25. What is the organization's monthly absentee rate? ______
Do you consider this high or low? ______________
In what departments/areas are absences particularly high and why?
_____________________________________________________________________________________
_____________________________________________________________________________________

26. What is the annual turnover rate (average position replacements per year)? _____
Do you consider this high or low? ______

27. Are exit interviews conducted? _____
By whom? __________________________________________
Who is given feedback from the exit interview and how is it used?

28. Are demographics of turnover data analyzed? _____
How is this analysis used?____________________________
_____________________________________________________________________________________

What has management done in the past two years to reduce turnover?
_____________________________________________________________________________________

29. Has the organization attempted to project future needs in terms of an increase in working mothers, child care, single parents, elder workers, a more diverse work force, etc.? _____

30. Has the organization made plans to meet its future employee relations needs? _____

31. On a scale of one to seven (seven being the highest and four being adequate), how do you think your Human Resources department would rate the effectiveness of the organization's employee relations and communications programs? _____

32. On the same one-to-seven scale, how do you think your internal clients (other departments and employees) would rate the effectiveness of the employee relations and communications programs? _____

Self-Audit Questionnaire Evaluation:

6. EMPLOYEE RELATIONS AND COMMUNICATIONS

This section covers employee satisfaction. This critical aspect of human resources management is broad in scope, complicated and difficult to measure. Since almost half of our waking hours are spent at work, an interesting and pleasant work environment is essential to retain quality employees.

The questions in this section are designed to help you understand and deal with intangible employee relation issues. These include communication, how employees are treated, support systems and those conditions of employment conducive to employee satisfaction, motivation and productivity. Three major issues are
covered here: (1) communication, (2) employee treatment and (3) statistics as a gauge of employee satisfaction.

Policy statements, newsletters, bulletins, messages and information handbooks help the employer communicate with the employee. The employer's willingness to commit to its philosophy in writing sets the stage for a candid dialogue. A standard of openness displays a sense of trust. While employees may not read every word, these communications help the employee identify with the company and its success.

Most important in this section are the responses to questions nine and ten. It is important for your organization to have scheduled interaction with employee groups and representatives for discussion of issues of mutual concern.

How the company treats employees is certainly important to them. It is also crucial to the organization's well-being. Bad or inconsistent treatment is the number one cause of voluntary turnover. Money can't compensate if basic human needs, such as dignity, respect, justice and social interaction, are lacking. An increase in work hours, coupled with a decrease in the quality of work life, loyalty and security issues, is responsible for a resurgence in union membership. The unionization of white-collar employees and frontline workers is increasing, particularly in services, such as government, hospitals, insurance and financial firms. How the employees are treated should be of utmost concern to you.

Policy guidelines help managers make decisions concerning specific workplace issues. From the employer's point of view, personnel policies and procedures which guide managers to do their jobs better are extremely valuable and help the organization achieve its objectives. The example on the facing page shows how a major corporation arrived at its employee satisfaction "best practice" policies.

Self-Audit Questionnaire

7. PERSONNEL POLICIES/WORKPLACE RULES

Statements of guiding principles intended to translate organizational objectives and means into operational terms and help managers make decisions.

1. Are there written procedures governing all conditions of employment and policies clearly stating the organization's human resources philosophy? _____

2. Are there procedures for monitoring the organization's compliance with personnel laws and regulations? _____

3. Are these policies and procedures published and adequately communicated? _____

How? (please describe) _____________________________________________________________

4. Is there one position within the organization accountable for overseeing the development, coordination and distribution of these policies and procedures? _____

5. Do these policies reflect the organization's desire to be an "employer of choice"? _____

6. Do these policies and procedures contribute toward the organization's mission and objectives? _____

7. Do they balance empowerment of staff with sufficient controls to ensure achievement of the organization's mission and objectives? _____
8. Are managers guided by policy as they make decisions from hire through separation of employment? _____

9. Are managers given the opportunity to provide input to policy drafts before they are formalized? _____

10. If there are other rules outside the organization's stated policies, such as Civil Service rules, are they communicated to and understood by the managers? _____

If yes, does management periodically review such outside rules to see if they reflect the organization’s current needs? _____

11. Is policy consistent in purpose, background and procedures for implementation? _____

12. Are effective dates of policies cited, and do they specify any previous policy statements they supersede? _____

13. Are all policies approved at the highest appropriate level of the organization before being adopted? _____

14. Are personnel policies condensed into an employee handbook? _____

If yes, are expected behaviors of employees specifically addressed? _____

15. Is the current personnel policy manual periodically reviewed by legal counsel to reflect new laws affecting employment, personnel relations, working conditions, employment at will, implied contract and disclaimer issues? _____

16. Are new policies that may have legal implications also reviewed by legal counsel? _____

17. Does the organization regularly assess existing policies for necessary replacement or amendment? _____

18. On a scale of one to seven (seven being the highest and four being adequate), how do you think your Human Resources department team would rate the effectiveness of the organization's policies and procedures? _____

19. On the same one-to-seven scale, how do you think your internal customers (other departments) would rate the effectiveness of the organization's policies and procedures? _____

Self-Audit Questionnaire Evaluation:

7. PERSONNEL POLICIES/WORKPLACE RULES

Personnel policies and workplace rules are intended to make organizational objectives reality. They should guide managers to do their jobs better and help them make decisions concerning workplace issues. Policies and procedures should cite their bases and resources to help managers make informed decisions. Personnel policies should also be flexible enough for managers to exercise discretion.

In a flattening organizational structure, policies and procedures can support delegating decisions. They should serve as a basis for managerial direction, accountability, consistent and effective behavior and compliance monitoring.
The policy manual should serve as a guide for the department to maintain accountability for managing and delivering human resource services effectively. A balance between staff and managerial controls will ensure the most likely achievement of the organization’s mission and objectives. Principles of teamwork and recognition of employees’ input should be emphasized as the most important components of an effective human resource philosophy.

Here is a sample human resource philosophy:

The XYZ Company recognizes that employees are its most valuable resource. The successful evolution of the organization depends on the support and performance of all employees in achieving its stated mission. Accordingly, the XYZ Company will strive to become an employer of choice by providing those programs and services which support employees in the performance of their jobs, enhance the spirit of teamwork and quality of life, and provide for employee well-being from hire through separation from XYZ Company.

Self-Audit Questionnaire

8. EQUAL EMPLOYMENT OPPORTUNITY AND REGULATORY COMPLIANCE

Policies and practices to ensure compliance with equal employment opportunity laws and other governmental regulations as they relate to recruitment, selection, placement, compensation and treatment of employees while enhancing the validity and effectiveness of related personnel systems.

1. Does your organization have a stated policy covering equal employment opportunity as well as it's compliance with all applicable discrimination laws? _____

2. Does your organization explicitly state its position against discrimination because of:
   Race? _____
   Color? _____
   Sex? _____
   Religion? _____
   Sexual orientation? _____
   Physical/mental handicap or disability? _____
   Age? _____
   National origin? _____
   Ancestry? _____
   Marital status? _____

3. How is this policy communicated inside and outside the organization? _____

4. Is there one position within the organization accountable for overseeing and coordinating EEO policies and procedures? _____
5. Is there a review process to keep the organization up-to-date regarding regulatory issues and compliance? _____

6. Are job openings analyzed for job-related skills, education, knowledge and ability requirements? _____
   Are selection criteria based on these job-related requirements? _____
   Can all hiring decisions be defended against these criteria? _____

7. Are all tests used in the hiring process valid? _____

8. Are all hiring managers trained in nondiscriminatory hiring practices? _____

9. Has the employment application been reviewed to ensure that it meets all equal employment opportunity requirements? _____

10. Is there an internal process for employees to register complaints concerning discrimination and harassment? _____

11. Does your organization have an explicit policy against sexual harassment? _____
   Has a procedure to resolve sexual harassment claims been implemented? _____

12. Do you offer training to management on sexual harassment awareness and legal requirements? _____

13. Does your organization conform to all provisions of the Americans with Disabilities Act (ADA)? _____
   Does your organization have a policy statement that prohibits discrimination against qualified handicapped or disabled individuals? _____
   Do your organization’s job descriptions distinguish between those qualifications, physical requirements, duties and responsibilities which are essential and those which are nonessential? _____
   Are policy manuals, handbooks, recruitment notices, job postings and advertisements consistent regarding qualified individuals with a physical or mental impairment of a major life activity? _____
   Can disabled individuals apply for job openings and gain access to the premises? _____
   Is there a review process for employee restrictions and reasonable accommodation requests? _____

14. If you are a Federal or State government agency, does your organization conform to the requirements of the Veterans' Preference Act? _____

15. Does your organization have a government supplies/service contract or subcontract for $50,000 or more in any 12-month period? _____
   If yes, does it have an Affirmative Action Plan (AAP) in place for each of the organization's establishments? _____

16. Are all AAPs developed according to the Office of Federal Contracts Compliance Programs (OFCCP) guidelines, including:
   Affirmative Action Plan Narrative? _____
Workforce Analysis? _____

Job Group Analysis? _____

Availability Analysis? _____

Utilization Analysis? _____

Goals and Timetables? _____

17. Does your organization conduct a self-EEO/AAP audit on a periodic basis? _____

18. Does your organization have a hiring procedure regarding the examination of documents to verify applicant identity and authorization to work in the United States as spelled out in the Immigration Reform and Control Act (IRCA)? _____

19. Does your organization have a Federal contract or subcontract of $25,000 or more? _____

20. If yes, does your organization fulfill the following requirements of the Drug-Free Workplace Act of 1988?:

Publish a policy statement prohibiting the unlawful manufacture, distribution, possession or use of a controlled substance in the workplace and specifying what actions will be taken against employees who violate the policy? _____

Provide a copy of the policy to employees working under the contract? _____

Provide guidance/training on policy requirements? _____

Have a drug/alcohol-free awareness program? _____

Notify employees they must, as a condition of employment, notify the employer if they are convicted of a criminal drug offense occurring in the workplace within five days after the conviction? _____


22. Does your organization provide programs for drug/alcohol rehabilitation? _____

23. Does your organization conform to the Family Leave Act? _____

24. Does your organization comply with requirements set forth in the Occupational Safety and Health Act (OSHA)? _____

25. Does your organization conform to the provisions of Employee Retirement Income Security Act of 1974 (ERISA)? _____

26. Has the organization assessed or met current and emerging legal issues relating to equal employment and other governmental regulations? _____

27. On a scale of one to seven (seven being the highest and four being adequate), how do you think your Human Resources department would rate the organization's performance in the area of equal opportunity and regulatory compliance cited above? _____
28. On the same one-to-seven scale, how do you think employees would rate the organization’s compliance performance? _____

Self-Audit Questionnaire Evaluation:

8. EQUAL EMPLOYMENT OPPORTUNITY AND REGULATORY COMPLIANCE

Governmental regulations affect every aspect of personnel management. Regulatory compliance is one of the the foremost concerns in human resources management. Knowledge of employment law provides job security to the HR professionals who specialize in this area. Human resources management literature, seminars and government publications cover these legal issues. Many HR professionals - no matter what their specialty - have of necessity become paralegals.

Questions in this section have been designed to highlight pressing regulatory issues. Emphasis has been placed on complex issues, such as the American with Disabilities Act and the Drug-Free Workplace Act.

The HR department should review internal procedures that both address due process in handling complaints of discrimination and harassment and encourage training and awareness to ensure a harassment-free, nondiscriminatory workplace. A qualified senior-level individual should oversee these efforts and keep top management informed of progress. Organizations that demonstrate genuine concern for EEO, affirmative action and diversity issues also resolve most claims in-house.

Legal fees and 'no fault' settlement awards have reached outlandish proportions. The rapid increase in claims, particularly in the sex and disability categories, has created a backlog in the EEO Commission and forced claimants to initiate civil suits. Aging baby boomers who are being rapidly trimmed from large corporations are expected to launch a new wave of legal suits. They are more likely to have the financial resources to encourage the legal community to aggressively pursue age discrimination claims. Increased attention to compliance issues necessarily must include self-audits patterned after the Office of Federal Contracts Compliance Programs (OFCCP) as published in the Federal Registrar and Bureau of National Affairs.

All organizations should find ways to prevent discrimination and harassment claims. This section of the self-audit is critical to understanding and using regulations to enhance both prevention and in-house resolution of claims. Proper job specifications and requirements, valid testing and screening techniques, equal opportunities for all employees, consistency in employee treatment and valuing diversity demonstrate good business management.

Self-Audit Questionnaire

9. TRAINING AND DEVELOPMENT

Programs, processes and strategies that will enable organizations to develop and improve their internal human resources in order to optimize their contributions to organizational objectives.

1. Is there a policy that states the organization's philosophy on employee training and development? _____

2. Is there a position within the organization accountable for overseeing and coordinating training and development activities? _____
3. Is there a process for assessing the organization's immediate training needs and individual development needs? _____

If yes, how is this assessment carried out? _____________________________________________________________
_____________________________________________________________________________________

How often is the assessment updated? _____________________________________________________________

Who participates in the assessment? _______________________________________________________________

4. Is there a process to assess the organization's future training needs? _____

If yes, how is this assessment carried out? _____________________________________________________________

Who participates?

_____________________________________________________________________________________

How far into the future are the needs projected? ___________________________________________________

5. Are job skills, knowledge and ability considered in assessing training needs? _____

6. Are new technologies, processes, products, services, market changes and community needs considered in assessing training needs? _____

7. Are organizational issues, such as mission, objectives, cultural changes and customer orientation, considered in training needs? _____

8. Are the organization's social responsibilities and respect for diversity reflected in training needs? _____

9. Are legal requirements considered in training needs? _____

10. Is remedial training in literacy and basic computation skills offered? _____

11. Are employee development plans addressed in performance appraisals or other formal settings? _____

12. To whom are the organization's immediate and future training and development needs communicated? _________________________________________________________________

How often? ______________________________________________________

13. How are all training programs and opportunities communicated to employees?

_____________________________________________________________________________________

14. Are subscriptions to professional training and development journals maintained and circulated among department members? _____

Is there a reference library of training and development material for employee use? _____

Is there coordination of professional development material? _____

15. Do all training and development programs have clear objectives (For example, in a workshop on WordPerfect, a clear objective would be At the end of this training, participants will be able to use the Merge/Sort feature.)? _____
16. How are training resources identified internally and externally?
________________________________________________________________________
Who is involved in the determination? __________________________________________
________________________________________________________________________
How are all training resources coordinated? ______________________________________
________________________________________________________________________

17. Are the results of training programs monitored and evaluated? _____

18. Is cost considered in the selection of training resources? _____

19. Is there a method to track training costs in terms of lost work time? _____

20. Does your organization measure a return on investment in training? _____
How do you know training is used back in the job? ________________________________
________________________________________________________________________

21. Does the organization provide adequate capacity to meet chosen training and development needs? _____
Are employees availing themselves of training opportunities? _____

22. Are training and development needs reflected in the organization's budget? _____

23. On a scale of one to seven (seven being the highest and four being adequate), how do you think your Human Resources department team would rate the organization's training and development activities and performance? _____

24. On the same one-to-seven scale, how do you think your customers (other departments) would rate the training and development activities and performance? _____

Self-Audit Questionnaire Evaluation:

9. TRAINING AND DEVELOPMENT

The purpose of training and development is to optimize HR contributions to organization objectives. The questions in this section focus on training needs and objectives, address organizational issues (new products, technology, work methods and changing skill requirements) and gauge what impact training has on the organization's profitability.

A needs assessment should be conducted before embarking on any training program. Many businesses offer wonderful training programs. Attendees usually leave invigorated and excited. Then there may be a few complaints from managers about overtime costs and slowdowns in operating efficiency because of "unproductive" training time. Analysis of training costs may reveal that departments are using more expensive outside resources because their needs are not addressed by in-house programs. Training may be seen as too expensive both in time and money. Budgets may be cut.

To gain credibility with the customer and assume the status of business contributor, the training and development function of the HR department must (a) clearly address customer needs, (b) formulate training programs in collaboration with users, (c) set training objectives, (d) perform a cost-benefit analysis of all
programs and (e) measure results. Once credibility is established, department managers will see that their training budgets are necessary and well used.

The choice of training resources should be cost-effective. In some cases a training curriculum can be developed by in-house experts. For other topics it will be more cost-effective to go outside the organization than to train someone in-house. There are many freelance trainers with detailed subject manuals using well-developed modules and techniques. Contract trainers have proven to be very cost-effective.

Self-Audit Questionnaire

10. LABOR RELATIONS
The process that ensures and oversees fair and effective collective bargaining with those unions representing employees and fosters positive labor relations designed to achieve organization objectives.

1. Does the organization clearly state its philosophy on labor relations and implement guiding procedures for managers who deal with contract and labor relation issues? _____

2. Is there a position within the organization that oversees and coordinates labor relation activities? _____

3. Do labor relations strategies support the organization's business plan? _____

4. Is top management informed and supportive of labor management strategies and goals? _____

5. Is there an atmosphere of management respect for union representation? _____

6. Are negotiation strategies and objectives formulated in advance of contract negotiations? _____

7. Does management understand the laws that govern collective bargaining? _____

8. Is your labor management team educated and trained in private- or government-sector bargaining techniques? _____

9. Does your labor relations staff network with professionals from other organizations? _____

10. Are union officials involved in workshops, educational forums or other interactive sessions with management to address topics of mutual concern, such as business competition, health care costs, compensation and organization change issues? _____

11. Is there a formal labor/management group to discuss issues of mutual concern outside of the bargaining process? _____

If yes, does this group have a charter and regularly scheduled meetings? _____

Is the group trained in effective meeting skills (e.g., agenda, ground rules, timekeeping, facilitation and action plans)? _____

12. Is adequate assistance provided to managers in contract administration and handling grievances? _____

13. Are managers trained in handling discipline matters, recordkeeping, counseling skills, precedent-setting issues, etc.? _____
14. Are efforts made to analyze root causes of grievances and take corrective/preventive measures to reduce them? _____

15. When grievances are submitted, are they resolved in a timely fashion? _____

16. Are there credible efforts made to gain labor's input and participation in finding better ways for the organization to survive? _____

17. Has the organization made plans to meet its future labor relations needs? _____

18. On a scale of one to seven (seven being the highest and four being adequate), how do you think your Human Resources department would rate the effectiveness of labor relation's performance? _____

19. On the same one-to-seven scale, how do you think other departments would rate labor relations performance? _____

20. On the same one-to-seven scale, how do you think union officials would rate labor relations performance? _____

Self-Audit Questionnaire Evaluation:

10. LABOR RELATIONS

The section on labor relations is important for organizations with unions. The brevity of this section is not intended to minimize its importance. There are fewer questions simply because fair and effective collective bargaining practices are usually already in place. In fact, labor relations may be one of the most important categories for the many organizations which deal with unions, such as local government and public sector agencies and heavily unionized manufacturing companies. Most Fortune 500 manufacturing companies are unionized, and there may be good reasons why other working environments need unions.

Management should link overall labor relations and collective bargaining strategies to the organization’s business planning process well before company representatives go the bargaining table. Equally important are issues of workforce flexibility and work redesign.

Company managers should foster cooperative relations with their unions and draw on the skills and knowledge of union leaders to achieve the organization’s objectives. Both employer and union depend on the organization’s success and ability to compete in the global economy.

The theme of these questions is the need to gain labor cooperation for continuous improvement and to foster union leadership awareness and involvement in critical cost issues. Answers should reveal mutual interests rather than adversarial positions that have not paid off for either party over the years.

Self-Audit Questionnaire

11. SAFETY, HEALTH AND WELLNESS

Programs that provide a work environment that contributes to and demonstrates concern for employee safety, health and well-being, and that produce the economic benefits derived from a safer work environment and healthier workforce.
1. Does the organization have a policy stating its philosophy on employee safety, health and wellness? _____
Is this policy clearly supported and monitored by management? _____
Are there policies and procedures that demonstrate compliance with federal, state and local regulations? _____
Does the policy provide guidance to managers on implementation of related programs? _____

2. Does one position within the organization oversee and coordinate safety, health and wellness activities? _____
Is there a process that ensures organizational compliance with current governmental regulations? _____

3. Are all aspects of OSHA regulations adhered to, such as:
The general duty clause? _____
General industry and vertical standards? _____
Recordkeeping requirements? _____
The right-to-know clause? _____

4. Does your organization have a wellness program in place? _____
Does it include:
A qualified wellness coordinator? _____
Voluntary free biennial physicals? _____
A health risk assessment? _____
A health risk assessment follow-up? _____
Counseling and feedback on health and lifestyle improvements? _____
Discussions/training on health-related topics? _____
Access to exercise and fitness facilities? _____
An evaluation of program effectiveness (measurable by reduced absenteeism, increased productivity, reduced healthcare costs, fewer claims, and progress against major risk factors measured in health exams)? _____
Does the evaluation include a cost/benefit analysis? _____

5. Does your organization have an Employee Assistance Program (EAP)? _____
Does it include:
An analysis of problems employees exhibit that, if assisted, would improve the organization’s bottom line (this could be determined by an examination of company records of accidents, benefits usage, absences, performance, as well as by interviews with employees, supervisors and medical personnel)?

An evaluation of the program’s effectiveness to reduce absenteeism and accident and health insurance claims and improve performance? ______

A cost/benefit analysis? _____

6. Does your organization have formal accident prevention programs? _____

If so, do they include:

An analysis of work-related injuries by category, department and location? ______

Formal workplace inspections? _____

A process to address biomechanics and ergonomics in the workplace? _____

Inspections that address accident causes, unsafe conditions and unsafe behaviors? _____

Employee training in accident prevention and good safety practices? _____

Reinforcement and recognition of safe behaviors? _____

7. Does your organization measure the cost/benefit ratio of safety programs? _____

8. Does your organization engage in workplace evacuation drills? _____

If so, how often? ________________________________

9. On a scale of one to seven (seven being the highest and four being adequate), how do you think your Human Resources team would rate the effectiveness of the organization's safety, health and wellness programs? ______

10. On the same one-to-seven scale, how do you think your internal clients and employees would rate your safety, health and wellness programs? _____

Self-Audit Questionnaire Evaluation:

11. SAFETY, HEALTH AND WELLNESS

This section provides a thorough review of employee safety, health and wellness programs and methods to produce and measure the economic benefits of a safer work environment and healthier workforce.

Questions 4 and 5 deal with the importance of employee medical surveillance, wellness programs and Employee Assistance Programs. These programs improve attendance, productivity and employee wellness while decreasing health care costs. Provider promotion information emphasizes the obvious benefits of these programs. However, by tracking your own measurements and performing cost-benefit analyses, you can manage the return investment in safety, health and wellness more deliberately.

Question 6 deals with accident prevention and should receive 50% of the overall scoring weight, particularly considering those parts of the question dealing with safe behaviors.
The Human Side, a safety consulting firm cited under Associations and Journals (page 151), has codeveloped with Behavioral Solutions a concept called "Safety in Numbers" (©1992), a behaviorally based approach to workplace safety. Their amazing success stories are based on the application of three principles: (1) breaking away from the traditional approach of reacting to statistics, e.g., waiting for an accident to happen, and instead measuring safe behavior on a daily basis; (2) positive reinforcement by rewarding safe behaviors; and (3) creating a new safety "culture" focused on safe behaviors and their causes. If safety is a major concern to your organization you might explore this rewarding concept.

Compliance with OSHA regulations is a prerequisite to all other actions. Preventing unsafe behaviors and unhealthy habits and even exceeding OSHA standards will reduce the organization's exposure to liability and risk. Over 80 percent of reported injuries are a result of unsafe acts and behaviors that can and should be addressed.
SAMPLE HR AUDIT PROGRAM

Milwaukee County
An Audit of the Department of Human Resources’ Role in the Hiring Process
Appendix B

Sample Customer Satisfaction Survey

City of Charlotte Human Resources Department
Appendix C

HR Audit Resources List

Audit Guidelines

- Auditing the HR Function (Auxillium West)
  http://www.auxillium.com/audit.shtml
- Human Resources Audit
  http://www.aspasa.co.za/Aspasa/HR%20Audit.htm
- Personnel Management Monitoring, Audit and Evaluation (Treasury Board of Canada)
  http://www.tbs-sct.gc.ca/Pubs_pol/hrpubs/TB_85A/CHAP4_7_e.html

HR Audit Providers

- Compensation Resources, Inc
  http://www.compsolutionsinc.com/hraudit.htm
  - Employers Association, Inc.
    http://www.mnemplassoc.com/consult/audit.html
- Employers Group
  http://www.hronline.org/hr_audit.htm
- Growth Management Strategies, LLC (GMS)
  http://www.ss-designs.com/gms/hraudit.htm
- Hay Group
  http://rm.haygroup.com/hraudit.htm
- HR Audit
  http://www.hraudit.com/index.html
- Loomis Group
  http://www.theloomisgroup.com/hraudit.htm
- MCG Consulting Group
  http://www.hraudit.net
- Merit Resource Group
  http://www.merithr.com/pages/bussol/consult/audit.htm
- People Management, Inc.
  http://www.peoplemgmt.com/services/audit.html
- Silverstone Group
  http://www.silverstonegroup.com/consult/auditpro.htm

Audit Publications

- The Portfolio of Human Resource Audits
  http://www.cambridgestrategy.com/page_c4_summary.htm