

## A PERSONNEL AUDIT AS AN ELEMENT OF EMPLOYEE MOTIVATION AND COMMITMENT

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**Summary:** The aim of the following article is to evaluate the aspects of personnel audit and show it as a tool for increasing the employee motivation and commitment within the organization. The effectiveness of every organizational unit depends to a great extent on the efficiency of HR services. The purpose of personnel audit is to evaluate whether the organization's policies and procedures, internal rules and legal regulations remain in compliance with the practical skills, in relation to labour law, remuneration policy, employee benefit accounting, tax accounting standards, human resources document management as well as social insurance services. A personnel audit is an integral element of other audits conducted within the organization, including internal audits, quality audits, management audits and organizational audits. It is an independent tool for improving the effectiveness of the human resources policy. A personnel audit performs both its advisory and monitoring functions. It is defined as a systematic, independent and methodical process of employee evaluation. The purpose of an audit is to provide information. The audit procedures result in the provision of information whereas their objectives include the conclusions and recommendations on the organization of work. The article has theoretical character.

**Keywords:** personnel audit, employee motivation, human resources management, labour law, company.

### 1. Introduction

Modern companies are ready to take advantage of every opportunity to survive in the current market situation, remain competitive and increase the brand awareness. To achieve these goals, one of the key solutions is to hire the best employees, motivate them to work efficiently and make the most of their intellectual potential. The employer in each workplace tends to encourage employees to help him/her achieve the business objectives in accordance with labour law and organizational culture. It is now more frequent occurrence that the employers appreciate the role of HR approach, which is in line with the trends and changes that have taken place in the field of human resources management services.

At present, these services are based on professionalism and innovativeness as regards the implementation of new rules, regulations and procedures. The organizations which discard the modern professional methods in reference to the personnel function are no longer able to recruit and motivate the best specialists, or gain a reputation for being successful employer and credible business partners. Numerous research studies conducted in the field of organization and management indicate that the most successful companies have modern human resources management systems. This is why the HRM procedures should be constantly updated and improved. One of the key tools is the personnel audit, which is conducted to verify the effectiveness of a HRM system within the organization.

## 2. The aspects of human resources management evaluated by a personnel audit

The personnel audit is conducted as part of the total internal audit, which is designed to evaluate the effectiveness of all organization's operations.

The subject literature provides a wide spectrum of definitions of the term 'personnel auditing'. According to the HRM dictionary, "An HR audit is a tool for evaluating the personnel employed in the organization and the staff management strategy". (<http://www.hrk.pl>). The clearest possible definition has been coined by A. Pocztowski, who refers to a personnel audit as " the systematic, independent and methodical examination and appraisal of human resources and the system of managing them, aiming at monitoring the compliance of their condition with the adopted standards" (Pocztowski 2003, p. 29). According to the management theorists, it is necessary to distinguish between a personnel audit and an HR function audit (the human resources management system). The HR function audit evaluates the company's organizational structure, professional competence, motivation, the level of employee commitment and work efficiency.

*Table 1: The aspects of human resources management evaluated by a personnel audit*

THE ASPECTS OF HRM
COMPETENCE, MOTIVATION, EMPLOYEE COMMITMENT
WORK EFFICIENCY AND LABOUR COSTS
EMPLOYMENT STATUS AND ORGANIZATIONAL STRUCTURE
INTERNAL AND EXTERNAL STAFF TURNOVER

Source: own elaboration based on Pocztowski, ed. (2004)

On the other hand, a personnel audit refers to functional, instrumental and institutional aspects, of course in relation to the organizational strategy. (Pocztowski. 2004, p.153). In conclusion, a personnel audit is a process revolving around the personnel employed in the organization and the system of human resources management (a quick examination of the key principles and practices related to HRM). The specific objectives of personnel audits are as follows: the structuring of organizational work performance principles, examination or improvement of regulations and procedures in terms of their compliance with the existing labour laws as well as the enhancement of the human resources management services. A personnel audit can take from a few to more than ten weeks, depending on the scope of necessary changes, previously proposed. It is a relatively common occurrence for the audits to be mistakenly regarded as a form of company control, which often arouses negative emotions among the staff and the fear that some disturbing irregularities and malpractices might be discovered. As a result, the employees are afraid of change, as an inevitable consequence of the audit process. Such approach is due to misinformation or lack of knowledge of the audit objectives. It frequently happens that the employees do not know why the audit has been requested by their employer, and when the personnel audit is commissioned, their fears are even greater.

## 3. Personnel audit characteristics

As it has already been mentioned, a personnel audit can deal with each of the HRM aspects, including: a/ the employees and HR administration services, b/ the basic HR procedures: \* (recruitment, selection, adaptation) – selecting the best candidate for performing the most significant role in the new organizational structure; \* (training courses, career development, employee assessment), obtaining precise information on the employees potential,\* the career development planning process (career, effective succession planning, redundancy and

periodic assessment planning,\* the optimal utilization of the employee potential, \* concentration on new employees' adaptation problems as well as career development obstacles and limitations resulting from the discrepancy between the requirements and the employees' skills and capacities (Marciniak 2006, p.15).

Judging from the analysis of the advantages of personnel audit, it might seem that most employees covered by the audit have hardly any chance to achieve their goals or benefit from the process in any way, especially when faced with numerous fears. However, according to research, it is thanks to audits that the employees tend to move into more prestigious positions, they become more involved in their work and they are highly motivated to develop their skills, qualifications and full capacities.

The greatest benefit that the audits offer to the employees is the opportunity to acquire a thorough knowledge of their own skills and competences, as well as their strengths that should be developed, and the weaknesses that ought to be eliminated. It is also thanks to the personnel audit that the employees are provided the unique opportunity to motivate themselves to further professional development through the participation in effective trainings and thus to plan far enough ahead to participate in training courses. They also become acquainted with the new personnel management tools, improve interpersonal communication and confront their tasks and problems with other employees. It is through personnel audits that some HRM areas are improved and the employees' motivation and their work commitment considerably increased.

Along with the employees, the organization itself is given a chance to efficiently utilize the knowledge and skills of highly motivated employees. The other advantages include the professionalization of HRM policy, the promotion of greater responsibility and more professional approach of HR personnel, defining the range of HR department duties and responsibilities, stimulating the consistency of policies and actions within the HRM department, identifying and defining possible personnel problems, ensuring compliance between the actions taken by the organization and legal requirements, optimizing labour cost due to the improvement of the existing procedures, contributing to the acceptance of necessary changes of the role and place of the HR department and examining human resource information system within the organizational unit. The characteristics of personnel audit are shown in Table 2.

**Table 2: The characteristics of personnel audit within the organization**

<b>PERSONNEL AUDIT CHARACTERISTICS</b>
• OBJECTIVE EVALUATION AND IMPROVEMENT
APPLICATION OF SIMPLIFIED PROCEDURES
• ADOPTION OF BENCHMARK STANDARDS FOR EXAMINATION AND EVALUATION
• CO-OPERATION BETWEEN AUDITORS AND MANAGERS
• SYSTEMATIC COURSE OF ACTION IN ACCORDANCE WITH THE ESTABLISHED PROCEDURES
• THE INDEPENDENCE OF THE AUDITOR IN THE PROCESS OF EXAMINATION AND EVALUATION
• SUBMISSION OF EVALUATION AND APPRAISAL REPORT, WHICH IS THE BASIS OF DEVELOPING AN IMPROVEMENT PLAN IN THE AREA OF HUMAN RESOURCES MANAGEMENT

Source: own elaboration based on Poczowski, ed. (2004)

#### 4. Conclusion

A personnel audit is an effective tool for improving HRM services as long as it is conducted according to the carefully developed procedures covering the following aspects: the purpose, the subject matter and scope, auditing and evaluation standards, the roles and responsibilities of audit participants, defining the ground realities in the assessed area, verification and interpretation of the audit findings and the final report. If any irregularities have been detected by the auditors, the organization is obliged to establish a corrective action plan and inform them about its realization within the time frame set by both sides. The auditor verifies the evidence of the realization of corrective actions taken by the organization. It occasionally happens that a re-audit is needed to confirm that the improvements in the given areas have been effective. An audit is an extremely broad topic area. Thus the following article is only a partial survey of those audit's benefits which can increase employee motivation and engagement in the workplace.

#### References

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