

## Evaluation the Role of HR AUDIT in Organization Effectiveness: (Evidence from Banking Sector in Karachi-Pakistan)

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### Abstract

The objective of the study is to evaluate the role of HR audit in organization effectiveness; this paper also investigates the influence of human resource practices in the audit process. Human Resources Audit, measures of human resource outputs and effectiveness under the given circumstances and the degree of utilization of human resource outputs. The research focuses on the role of HR audit in organization effectiveness and how well HR managers adopt the HR functions align with the HR strategy, the research is qualitative in nature and 4 in depth interview are conducted with the HR Managers who currently deals the HR functions under the umbrella of HR current practices with compliance and legal requirements, the case study method is selected with ‘Template analysis’, The respondents reveal that focus on improving the HR functions and implementations with the alignment of compliance and legal review leads to the strong human resource audit system in banking industry, having the attractive compensation packages can also be a part of retaining the employees in organizations which shows the good implementation of HR practices in organizations, and besides the compensation packages others factors like; training and development, recruitment and selection, performance management system, career development, succession planning, employee retention also have an important aspects towards organization effectiveness. The current study aims to evaluate the role of HR audit on HR functions with the given circumstances and the degree of utilizations of human resource outputs.

**Keywords:** Human Resource Audit, Human Resource Functions, Human Resource, Organisation Effectiveness

### 1. Introduction

It's the HR responsibility to help the organization to realize success, on the other end its important to carry out the investment in training and development sector in result employees become more knowledgeable and more defined toward organization goals and achievement, (Byham & Riddle, 1999).

HR Audit is a systematic assessment of the strengths, limitations, and developmental needs of its existing human resources in the context of organizational performance (Flamholtz, 1987)

It helps in taking stock and refining HR policies, procedures and practices aimed at organizational effectiveness. It also impact on organization success that HR functions work properly, and how organization align their hr functions with proper strategy, identify improvement areas, and fine-tune the HR current practices in synchroization with organizational strategies and take up the organization on the higher level in respect of its success.

HR Audit is a tool to evaluate HR functions productivity under the umbrella of legal review and also helpful to increase its outputs,while increased the emphasis to improve the efficiency of HR functions and also its delivery system towards the organization effectiveness its need to be the correct policies procedures lead to organization success,

Role of HR AUDIT make a profitable and strength able value of organization in market through its standard able and powerful tool system through its HR functions and its correct policies and implementation, in order to ensure that organizations implemented the correct polices and procedures, knowledge and abilities to perform their assigned tasks, HR Audit plays its essential role towards the growth and success of the organization success. Evaluation the role of hr audit has enormous impact on organizational effectiveness. It is observed that more effective

Implementation of hr audit through its objectively and legal compliance its become power tool for redefining the hr functions and also lead to organization effectiveness and profitability.

The fundamental role of HR AUDIT is essentially to maximize profitability, quality of work through effective management of people and its powerful of hr audit. It can be easily inferred that HR role is to help create value of organization and also make it to lead organization effectiveness, (Cascio 2003)

#### 1.1 Role of Hr Audit in (Banking System)

Role Of HR ADUIT in banking sector has become vital issue in organization, the organization need to be adopted the effected way of HR audit in organization, in most of the banks the HR functions and its proper implementation has still not attained specialized in professional status is banks,

The basic and main issue in banking sector is that the banks still not been professionalization with its HR system with changing market realities. In banking sector not to pursuing the effective way of HR functions

and audit is too high, Therefore banks would need an appropriate HR organization structure, also they need to HR specialist to drive the new HR agenda,

HR Audit is the effective tool to be adopted in banking sector for analysing the better performance of HR functions and implementation towards organizational effectiveness.

The need of HR Audit for banking sector is correct the skills of HR employees, and ensure the implementation of HR policies and procedure in organization in respect of organization effectiveness

### **1.2 Research Objectives:**

The objectives of HR AUDIT survey are:

- To analyse bank's working environment as per HR guidelines.
- Identify the factor affecting HR Audit among the employees working in banking sector of Karachi-Pakistan.
- To analyze the factor which improve the satisfaction level of employees regarding HR Functions and policies in banking sector of Pakistan.
- To know satisfaction from compliance, policies and procedures,

The research problem will try to find out whether the human resources of a certain entity is effective, and whether they are functioning properly and meeting their HR duties in order to achieve the organization's goals in banking sector of Pakistan.

### **1.3 Research Question:**

How HR Audit play an important trole to Increasing the organization effectiveness in banking sector in Karachi Pakistan ?

## **2. Literature Review**

### **2.1 Human Resource Management and HR Audit**

Human Resource Management activity is the measure element for an organization. Organizations invest huge money for the development of employees' because the performances of the employees ultimately increase the performance of the organization. (Stone R J. 2002).

HR functions have a significant role to achieve organizational goals by incorporating the interests of the organization and the workforce. HR is a kind of Human Relations movement of the early twenty century, when researchers in a process to find out the documenting ways of creating business value through the strategic management of the workforce. Hr is a vital activity where organization must need to be adopted the professionals for running the organization with betterment of organization effectiveness. Is effective use of human resource in order to enhance the organizational performance,(Amy, 2010).

### **2.2 Scope of HR Audit**

The scope of HR Audit includes the implementations of hr policies and also ensure to apply it on organization, its concerned with compliance and legal review-however most of the organizations not having the proper HR function as they don't have clear strategy to run the organizations and to get the best possible ways for effective results, (Amy, 2010)

The scope of an HR audit can range from a simple review of workplace policies to an extensive examination of practices, policies, procedures and measurements to determine how close the alignment is between the organization's strategic goals and direction and HR functions that support the company's strategy. HR audits might go so far as to survey compensation practices, measuring the competitiveness of the employer's wage scale and determining if multi-site employers are in compliance with their respective local regulations pertaining to minimum wage laws. (Mayhew& Media, 2009)

Over all review HR Audit is responsible to identify the every implementation which are performed by HR department, its also find out the purpose of each implementation, review the all policies and regulations which organizations used, take the sample of records which is followed by organizations, prepared a final audit report which contain the all those policies, procedures which is need to be enhance time to time, and follow up on at later stage and analyze the if problems solved which found through audit, (Berry, 1967).

### **2.3 HR Audit Defined**

The term HR Audit is used to be as an assessment tool in most of the organization, where they identified the SWOT analysis of the organization, HR audit is a set of limitations and need of improving the hr functions in the context of organizational performance,(Flamholtz, 1987).

HR Audit is a process of examining policies, procedure, documentation, system and practices with respect to an organization HR Functions, (NewsWeek, 1997)

HR Audit can be identified from functional audit, as could say they HR audit assist the organization to

modify their HR functions through evaluating and assessing their responsibilities which they are performing, it's a systematic assessment of the limitations, powers and need of development in hr functions, (Flamholtz, 1987).

HR Audit is based on two basic functions it must be a management information system which includes the managing process of HR development with in the umbrella of legal review with the help of HR department, on the other hand it's a way to control and assess the all policies that are being applied, and the result can be valued through the implementation of its HR function, (Walker, 1998).

HR Audit, "measures of human resource outputs and effectiveness under the given circumstances and the degree of utilization of human resource outputs in the best possible manner conducive to the organization" ( Arain, 2001).

HR Audit is an analytical term, its indicate the message to all professional managers and executives to manage their own ways to analyze performance on the account of goals, objectives and achievements gain from the experience for their particular departments and units, executives has been encourage to adopt such type of applications which diagnostic the ways which best suited to their own circumstances. (Werther & Davis, 1996). The purpose of audit is to reveal the strength and weakness in the hr and any issue needing resolution, ( Dipboye 1992) The HR audit work best when the focus is on analysing improving the hr functions in the organization, (Rock 1979)

#### **2.4 Importance of HR AUDIT:**

HR Audit is an assessment tool to analyze the effectiveness under the legal review of umbrella with the align of hr strategy, (Osama,2010) Human Resources Audit that help the organization achieve its business goals and objectivesJudith, 2012)

Human Resources Audit that help the organization achieve its business goals and objectives, An HR Audit can help to ensure legal and compliance review while measuring the effectiveness of HR programs.( Judith, 2012)

HR audit helps in realizing company's goals and objective and lead to over all development of HR department and initiates utilization of full potential of HR functional. ( Sinha,2012 )

#### **2.5 Audit In Human Resource.**

Rajesh& Nishant (2009) is defining the i) Audit of the development role of HR, ii) Audit of the management role of HR, iii) Audit of the service role of HR iv) Audit of the compliance role of HR, v) Audit of the strategic role of HR, vi) role of HR in financial management

HR audit identifications of developments needs of the executives with respect to make such programmes, OD is concerned with the analysis an need to change the organizational performance and ability of the organization to adapt to modifications. The key aims of OD to intervene the organizations capacity to learn about and manage itself autonomously

HR audit is conducted and evaluate thepolicies procedures, rules, regulations pertaining to activates of hr and development of an organization. performance management is a tough process in hr strategies as it will analyze the organization to identify the shortage that needs to be auctioned, The audit will take stock of the degree to which hr delivers its key role, different hr information indicates the points to be audited for each role.

The code of hr practices is there to ensure that business conducts itself within a framework of good people practice. The hr audit will also assess to what degree management and HR have instituted the compliance of code of ethics HRA is equally important as compliance. an hr audit consist of through compliance review and a strategic assessment of HR Practices.

The current strength and weakness of the hr. functions are discussed in relation to achieving the desired people management strategy. Through HRA the formal administrative role that handled recruiting, hiring, and training is a major tool of a strategic partner that participate in setting the organization direction towards success and business goals.

In this process we it on surface that how much cost will incur by an organization in the whole process from recruitment tll development.

#### **2.6 HR AUDIT (How HR can better do the analysis of its HR functions)**

Judith (2012) defines HR audit is conduct a more in depth analysis of HR functions to identify the area of strength and weakness and where modifications needed, Conducting an audit involves a review of current practices, policies and procedures and may include benchmark against organizations of size. HR Audit involves the regular and systematic examinations of organizational practices and betterment. In human resource audit is not routine, because of the complexity of state and federal labour laws and regulations there for its common for employers to rely on their attorneys to review their human resources policies and practices.

HR. audit is evolved from a simple checklist of documents or affirmative action's plans

## **2.7 Role of HR AUDIT in Organization Effectiveness.**

HR Audit give feedback about the hr functions how well its implementing through HR specialist and also its analyze that how well managers meet their challenges, we can say that hr audit is an overall set of quality analyst which can be focused on hr activities in units, departments or company and evaluate that how these hr functions well coordinate with organization's strategy as well ensure the due diligence and all the legal review of under the compliance, its also important to update and modify the hr audit procedure that becomes an effective tool for the organizations, although its conclude that hr audit have an important aspect on employees performance toward organization success, Cheramieet al. (2007).

Argued that, management, mostly feel hesitate while investing in its hr due to various reasons. Individuals to invest themselves for their career development and greater performance (Baruch, 2006).

If the organization are enough sensible to analyze and evaluate the HR department and also proper make the efficiency of its functions then its sure that productivity and development of employees will increase with the organization effectiveness

## **3. Research Methodology**

The purpose of this research paper is to evaluate the Role of HR Audit in organization effectiveness, and I followed the qualitative research.

### **3.1 Study Design**

This research is descriptive by nature; the research design which i am using is Qualitative research.

### **3.2 Data Collection Instrument**

For my research I have chosen the interview as a medium to collect the data, the interview is taken one on one basis I have made the interview questioner to be responded by the professionals of HR department, the questions were designed to get the best possible answers to make the research successful, This instrument gives information about the all hr functions/practices with the alignment of hr strategy,

### **3.3 Data Analysis:**

Template analysis is the process of re-defining and analysing textual data according to themes. This can be text produced or used in the way of the evaluation,

To reduce large amounts of undefined text to which is relevant and manageable in for the evaluation. It may not be glance comparison for small amounts of data link with the evaluation of a small change in L&T. Presentations like tables were used to make easy interpretation of data.

### **3.4 Administration of Instruments**

The instrument selected in this study is interview; Copies of the interview questionnaire were distributed to professionals of HR department at work. The interview was taken in different sessions. We have explained the questions in detail to the respondents after copies of the questionnaire were given them. And after every interview in very shortly they were analyzed.

### **3.5 Target Population**

Population of the study based on HR professionals/Managers working Banking Sector in Karachi Pakistan.

### **3.6 Sample Size**

To do this study sample of 4 banks have been chosen. The choice of these banks is based on two factors (i) the banks which volunteer to take part in this study are taken (ii) they have their operations in Karachi

Sample must be a true representative of the population therefore two banks were taken from domestic private banks where as two were chosen from international banks.

### **3.7 Respondents of the study**

Respondents for the research are the HR Professionals/Managers of

BANK OF CHINA (Bank A)

SONERI BANK, (Bank B)

KASB BANK (Bank C)

CITY BANK (Bank D)

The Respondents: HR Manager/Senior HR Generalist (HR Department)

### 3.8 Sampling

4 respondents were selected for this study, since qualitative research required in depth study therefore limited sample was selected. The target groups of employees “HRM Professional/Managers” in banking sector are identified. For this research I have rephrased the names of banks, Bank A, Bank B, Bank C, Bank D,

### 3.9 Sampling Technique

Convenience Sampling was applied because the respondents for this study are not common employees; rather they are employees posted at different positions in HRM departments.

In phase one, preliminary required information was collected with the permission of the departmental heads. This information was related to number of HRM professionals working in the HRM department, their email addresses and phone numbers. In the second phase, more data was collected using self-responded surveys/interviews from the same sample.

### 3.10 Concepts of Research

Concept of research has been taken from the following links;

Concepts	Sources
Roles, Head Counts & HRIS system	Chandrashekharpjoshion Mar 26, 2012
Recruitment and selection	
Documentation	
Training development and Career Management	
Performance management	
Termination	
Compensation and benefits	(Sensible Human Resources Consulting LLC) <b><a href="mailto:linda@lindakonstan.com">linda@lindakonstan.com</a></b>
Career Development and Succession Planning	Published by kamdica
Employee Orientation	Published by kamdica

### 3.11 Sources of Data

Primary data used to conducting the research.

#### 3.11.1 Primary Sources

To getting the primary data there are different approaches available which makes the research more effective. In the way to collect reliable and valid information, I have taken the detail interview of HR Managers of the HR department.

The channel of used to collecting the primary data was interviewer questionnaire.

Primary data has been collected through an interviewer questionnaire, designed on concept of themes which has been formulated to keep in mind the HR functions, interviewer questioner has been made accurately on the concepts which has been positively associated with organizational effectiveness

The interview was taken amongst HRM professionals/Head from HR department of Banking Sector.

## 4. Findings and Discussion

In depth analysis we have conducted a detail interview with HR Managers/ Professionals, on the different variables. And made overall conclusion,

### 4.1 Role, Heads Counts & HRIS System

Role, Heads Counts & HRIS System	Bank A	Bank B	Bank C	Bank D
No of Employees	153.	2800	1600	500
Permanent Employee	153 (100%)	2100	1150	200
Contractual Employee	0 (0%)	700	450	300
Maximum no of hours	Standard 8 hours.. (subject to increase)	Standard 8 hours.. (subject to increase)	Standard 8 hours.. (subject to increase)	Standard 8 hours.. (subject to increase)
employees aware of their status	Yes	Yes,	Yes,	Yes,
Job Description of employees	All employees JD are up to dated.	All employees JD are up to dated.	All employees JD are up to dated.	All employees JD are up to dated.
HRIS System and its effectiveness	Some extent HRIS at initial basis yet manual process exist	Used HRIS, from private service provider ,	In-house system, also a web based HRIS.	Using Oracle based system CHRIS, it's also a web based system.

#### 4.1.1 Interpretation

Regarding the theme HR headcount and HRIS, the banks responded that usually they hire permanent employees, banks having high percentage of permanent employees, while bank A who having their all 153 employees are permanent, while bank B have 75% employees are permanent of its total population and 25% employees are contractual, bank C having 72% employees are permanent of its total population and 28% employees are contractual, and bank D having 40% permanent employees of its total population while other 60% employees are contractual. except Bank D that has 60% contractual which can cause the effectiveness of HR system of banking industry. Banks follow the standard time of minimum 8 hours a day however employee are demanded to stay with the organization if the work is in pending. All the employees are aware of their status and their JDs are documented with HR department.

On asking from respondents about HRIS, it was important to find that all banks had the HRIS software's in their organization however they were at very initial stage of this system and somehow follow the manual process that highlights the issue of integration among other HR Functionalities. except of Bank A where they used to be work on manual basis its shows that they are not enough strong by infrastructure, while Bank B has running their operations with updated technologies HRIS who reduce their time with web system, while Bank C have also updated their system with CHRIS who running their programs fast, and the Bank D using oracle based system who runs the programs very fast instead of all banks.

#### 4.2 Recruitment & Selection

Recruitment & Selection	Bank A	Bank B	Bank C	Bank D
Procedure for hiring	implementing "Manpower", talent pool system from web sites.	circulate "internal job broadcasting",	initially interview, and most references	Initially interview, then then have forwarded to HR Senior manager.
recruitment resources	References, Advertisement in newspaper.	References, HR Pool utilize, Walk in interviews,	"Internal job broadcasting", Third Party, References.	Educational seminars, walk in interview, References, "internal job broadcasting"
Who selects candidates for interview?	HR Department	HR Department, as well consultancy firm recommendation.	Respective Group Head- HR-CEO.	HR Business Manager
How the recruitment, screening, and selection process documented?	Specific area in HR where the all process documented.	all process documents are held with senior hr manager	Kept in a record with hr manager.	With HR Manager.
V. interview process	Face to face interview, not on phone.	Depending on the position, initially position interview have taken by HR Executive.	Applicant should meet the HR people.	Face to face interview, not on phone.
Vi. hold final authority to hire?	CEO	President	CEO	HR Head.
Vii. list the practice you believe is unique about your organization	Attractive Compensation packages, Good Salary Range.	Unique range of products, Attractive salary range, First launched local bonds. First launched foreign currency bonds.	Strong Audit system. Variety of products, Unique Compensation system.	Unique orientation programs. First launch business in Qatar also. First launched local currency bond. First launched local remittance.
Vii. criteria to select a right candidate	Applicant should have a relevant experience for a particular job, Right person for right job	Right person for the right job with the experience.	Relevant experience for a particular job with capabilities to handle the challenges.	Having relevant experience.
Vii. Generally every organization always ask for experienced candidates even at entry level what do you think that how a fresher can get experience without having a job?	usually preferred experienced staff, For fresh candidates in process to implement the trainees program.	For fresh candidates introduced a trainee's officer programs where fresh candidates can experience.	Offered trainees officer programs for fresh candidates.	At entry level not asked for experience for that purpose introduced a trainee's officer program for fresh candidates.

#### 4.2.1 Interpretation

Regarding the theme recruitment and selection the banks have different procedures of hiring, like bank A they used Manpower for hiring process which is being standard process, bank B usually focus on the internal job broadcasting and bank C focused one references while the bank D is focusing on the relevant experience of the job which has been announced and then its forwarded to HR.

While all banks having the same recruitment resources which has been they used, Bank A used the process of reference and newspaper, Bank B use reference-hr portal and also considered the walk in interviews, bank C used internal job broadcasting and third party resources, and the bank D mostly focused on the reference

Almost in all banks HR manager having the authority to hire the candidates for interview but except bank C where only head of department having the authority, while all banks have different prospect for interview, like bank A & Bank D using the same process for interview one on one basis, and others bank B has the little bit different way of interview and Bank C using the different process,

On the asking about employees documents banks responds that bank A placed their all process documents in specific area of hr, and bank B also used the same process they kept their all documents in hr and with the senior hr manager, bank C also adopted the same thing they also kept the all process documents in specific area of hr, while the bank D has been doing the same process.

In most of the banks CEO having the final authority to hire employees. As far as concerned about the unique things about banks which has been asked to respondent almost all banks stated the same things, like; bank A having the attractive compensation package which is quite being unique to other organizations, bank b having a variety of unique practices for example launched a different products and facilities at first attempt in banking sector, bank c having the strong audit system and variety of products like its banc assurance programs, bank D has the most appropriate unique practices over the all banks which is launched a first time local currency bonds and local remittances,

For the purpose of selecting the right candidates for banks have the same criteria to selecting a right candidate for a bank, bank A using the concept of right candidate for a right job, bank B also follow the same procedure, bank C focus that employee should have the relevant experience, and the bank D follow the same process

As far as concerned for fresh candidates every organizations have the same opinions except of bank A who usually preferred a experienced staff and initially in a process to start trainees programs, bank B always offered a trainees officers programs for fresh candidates to experience them, bank C also offered the trainees officers programs for fresh candidates, in bank D they did not asked for a experience staff at entry level, for fresh candidates they offered a trainees officer program from that fresh candidates can get expert,

#### 4.3 Documentation

Documentation	Bank A	Bank B	Bank C	Bank D
Where and with whom are the personally files are held?	Specific area in HR department HR manager deal the all process.	Fire proof cabinet in HR department Head of HR Operations handle.	Fire proof cabinet in HR department Senior HR Manager look after it.	Senior HR Manager has an authority to be kept with all files of employees in fire proof cabinets.
ii. Documents in personal files?	All documents of employees like; C.V, Application Job, experience letter, education details, Nadra Cnic, Medical details.	All documents of employees like; C.V, education details, job application, appraisal forms, cnic, experience letters, medical details,	All documents of employees like; C.V, job application, medical details, job experience letters, educational details,	All documents, C.V, Educational documents, job experience letters, medical details, loans details
iii. How long are files held where they stored after employees leave?	Maximum 3 years with HR department.	Maximum 05 years and with HR department.	Maximum 03 years, then given to state bank.	Maximum time of period. After 05 years it s given to state bank.
iii. Is payroll service used, if then which one?	We use to be on Manual basis, in process for implementing the HRIS.	Yes, we used Harmony which also called CHRIS,.	Yes, CHRIS	Yes, we have in-house system also called CHRIS
iii. Employee files up to date and retained for the appropriate length of time?	Yes,	Yes	Yes,	Yes,
iii. Are records of all training (i.e. Health & Safety) received, maintained and updated?	NO isn't.	Yes , it is.	Yes them all.	Yes all updated

### 4.3.1 Interpretation

In concepts of theme about the documentation the banks responds that, personally files are held with hr manager and in hr department, in bank A files held with hr manager, in bank B its held with head of hr operations, in bank C its held with senior hr manager and in bank D all files are held with senior hr manager, and all banks like bank A usually contain the same documents as all banks have like; its starting from C.V then goes to medical details, previous job letters, job applications, cnic, education details, loans details.

For the maintaining of files of employees It's a standard time from state bank to all privates & governments banks, if the employees leave the bank then in starting banks need to hold all records of employees maximum 3 years then after that it's goes to state bank custody,

For the concerned of payroll of employees which is being important part of employment, here is a difference in using the payroll service, except of bank A they used to do it on manual basis, while others bank like; bank B used Harmony system which is be fast and will work in a hour, and bank C used HRIS which is also be more effective and run fast, and bank D also used CHRIS.

For the aspect of retained the documents of employees all organizations kept their employees files are up to dated and retained it for a appropriate length of time, and for the medical documents purpose except of bank A, all banks like bank B, C & D maintained their health and safety records with personally files of employees,

### 4.4 Training Development & Career Management

Training Development and Career Management	Bank A	Bank B	Bank C	Bank D
responsible for new employee orientation	HR Executive is.	Training department Training manager.	Training manager	Recruitment staff
key features of employee orientation program	How know about the policies and procedures, Knowledge about products, Organizations background.	Basic knowledge about products, code of conduct, policies and procedures, Background of organization.	Products knowledge, organization background, knowledge about departments, Guidelines of work	Knowledge about products, Hericary of organization, organization structure, knowledge about departments, Code of conduct.
formal training program for employees and managers	No.	Yes there is, like, AML, CCL	Yes like LCD, Learning coaching development.	Yes,
Company has clear training and development strategy?	In process to implement this strategy.	Yes it is.	Yes,.	Yes, we have.
current training and development programs	We are in process to start trainee's officers program.	Yes,	Employees Based Training program. we launched training calendar	Employees Based Training program.
conduct training need analysis	Supervisor recommend,	Training calendar, Quarterly schedule.	Through appraisal system	Conduct TNA through appraisal forms,
evaluate the training effectiveness	Its revalue time to time.	Have system where employees written their comments	There are evaluations forms which need to be fill out after training.	Time to time shows effectiveness Conductthrough cross functional checking.

#### 4.4.1 Interpretation

Regarding the theme of training development and career management, In bank A there is hr executive who is responsible for new employee orientations, in bank B training manager is responsible for orientation, In bank C

training manager is responsible, while in bank D recruitment officer is responsible for new employee orientation, the overall impact is usually all employee who are responsible for orientations are belong to hr department, the key features of orientation program is most of the organizations orientations features are the same, as mention like; basic knowledge about products-background of organizations-knowledge about products,

As far as concerned for the training programs of employees and managers except of bank A all banks have the formal training programs for managers and employees, like bank B, bank C, bank D, for the strategy making of training except of bank of A all banks like; bank B- bank C-bank D they all have a clear strategy of training and development,

For the development of employees except of bank A all banks like; bank B- bank C- bank D having the training programs, but bank of china is in process, as far for the better improvement of employees performance training need analysis has been conducted like bank B, bank C, bank D having the same process to analyze the need of training, except of bank A focused on supervisor recommendation that this employees needs training or not.

For analyzing that how employees performance has been more effective after training, according to bank A the effectiveness shown by time to time, as per bank B they have a system where employees have written their views after training, in bank C there is a evaluation form which need to be fill out after training, in bank D its shown by the quality of work done by the employee

#### 4.5 Compensation & Benefits

Compensation and Benefits	<u>Bank A</u>	<u>Bank B</u>	<u>Bank C</u>	<u>Bank D</u>
current compensation system	health insurance program,	We used 'PERC',	Exactly not having new system, as old compensation packages.	Its web based system, called CHRIS.S
compensation plan communicated to all employees	Yes, it is.	Yes it is,	Previously communicated,	Yes,
Compare the company's compensation programs with the market rates?	Yes, we do.	Yes we do	Yes we do,	Yes we do
Employees aware of the benefit plans and incentives?	Yes all employees are aware.	Yes they are;	Yes them all.	Yes they are aware.

##### 4.5.1 Interpretation

Regarding the theme of compensation & benefits, the banks responds that except of bank A who only have the medical benefits-all banks like; bank B, bank C, bank D having almost the same compensation systems like; PERC-CHRIS- these all systems are web based system and from these systems banks can easily access/maintained their salaries-recruitment-medical facilities. As far the communication of compensation packages of employees all banks employees has been communicated with the prospect of compensations and benefits.

For retaining the best talent mostly banks doing the market survey like; bank A, bank B, bank C, bank D they all survey the market and compare their benefits and salary range with others banks, as far as concerned for the awareness of benefits and compensation packages all bank like; bank A, bank B, bank C, bank D, all employees are aware their benefits plans,

#### 4.6 Performance Measurement and Evaluation

<b>Performance Measurement and Evaluation</b>	<b>Bank A</b>	<b>Bank B</b>	<b>Bank C</b>	<b>Bank D</b>
Types of performance management systems	360's	MBA, 360'S way,	Bell Curve system.	Appraisal system though HRMS,
Give feedback to employee's performance?	Yes	Yes.	Feedback to employees through PIP.	Yes, arranged an interview of employees.
Role of supervisor/managers in performance appraisal	Their recommendation is highly appreciated.	Their recommendation is highly appreciated.	Very important role.	Very important role.
How you motivate an employee whose performance and moral is going down?	Initially to enhance compensation packages.	Called employee for acknowledge their self	Give them 4-5 months to get back with positive energy.	We initially increased compensation packages.
Resolve any complaint or dissatisfaction?	Conduct meeting with employee and line manager	Conduct meeting with employee and then with manager.	Conduct meeting with employee and then with manager.	Arrange meeting with manager and employee and listen both comments.
Methods or possible ways to review the performance of	Half yearly appraisals system.	Half yearly appraisal Annual appraisal.	Through LOD,	Middle appraisal Annual appraisal.
Process for employee to lodge complaint?	Official address of HR managers,	HR service line	Through HR portal.	Through HR portal.

##### 4.6.1 Interpretation

On the asking of performance management system banks responds that; every bank used different type of performance systems like; bank A using the 360 way to judge a performance, bank B also used 360 way to analyze the performance, bank C they used a bell curve system where already defined a percentages to give to employees in which category they are rated, in bank C they do all work through HRMS,

Regarding the feedback of employees giving to them all banks they give feedback to all employees about their performances, The role of managers measured the performance of employees for that every organizations either they are private banks or government banks, manager role is very important; its recommendations are highly recognized in HR.

For motivating the employees whose performance is going down for that In every bank they usually give a appropriate time 4 or 5 months for employees to get back with positive energy, except of bank of china where they are in process to do this, if received any complain from employees then In this process every bank like; bank A, bank B, bank C, bank D, they called their employees for a meeting and then they have called to manager as well and after that through mutual understanding they resolved a problems,

Every banks want to be reached at higher level regarding their services provided, for that employees performance should be review, every organizations has different ways to look it, like; bank A used to be half yearly appraisal because its helpful to monitor the performance of employees, in bank B they focused on half yearly appraisal and then they gone to annual performance, in bank C through LOD they review the performance of employees and in bank D they also focused the Half-yearly appraisal and annual appraisal,

Every employees have the right to lodge a complaint if they had, In every bank have different way to lodge a complaint, in bank A there are some official address, in bank B there is a hr service line, in bank C there is hr portal for lodge a complaint, in bank D they also have hr portal for this purpose,

#### 4.7 Career Development and Succession

<b>G. Career Development and Succession</b>	<b><u>Bank A</u></b>	<b><u>Bank B</u></b>	<b><u>Bank C</u></b>	<b><u>Bank D</u></b>
Current system for Career Development	NO	Open door policy.	Internal job broadcasting, direct approach to HR,	No
current system of succession planning	Usually locate the external resources.	Polish employees time to time	Through infrastructure HRIS,	People's software has that succession planning.
Succession plan exist for all critical positions?	NO, only for treasury department	Yes it is.	Yes it is.	Yes it is.
Percentages of positions following	100% executives.	20-30% executives, 40% senior mgt, 25% middle mgt.	70% executives, 20% senior mgt, 10% middle mgt.	80% executives, 10% senior mgt, 10% middle mgt.
Succession planning system work effectively? If not, why?	only for treasury departments	Yes it works effectively	Yes it works effectively	Yes it works effectively

##### 4.7.1 Interpretation

Regarding the theme of career development except of bank of china and city bank remaining 2 banks have the career development As far as concerned for the succession planning In bank A they preferred to external resources for this purpose, in bank B they polish their employees by time to time for this purpose, in bank C they doing succession planning through HRIS because that system having all details of employees, while the bank D using people's software for this purpose. In every organizations succession planning exists for all employees in bank A they use succession planning only for treasury department, in bank B they used succession planning for all positions in banking sector, in bank C they also used succession planning for all positions, and in bank D they do the same process.

For finding out the at which level succession planning be consist In bank A there would be all percentage given to treasury department, in bank B they have a specific percentages to give to senior mgt, executives and middle mgt, bank C also having the specific percentages to describe positions, and bank D usually preferred the succession planning for executives, and a minor percentages for senior mgt and middle mgt. In all banks succession planning system works effectively

##### 4.8 Termination

<b>Termination</b>	<b><u>Bank A</u></b>	<b><u>Bank B</u></b>	<b><u>Bank C</u></b>	<b><u>Bank D</u></b>
Is your organization an "at-will" employer?	No.	Yes it is	Yes every employee has rights.	Yes it is
Is there any formal checklist or legal review prior to termination?	No	Yes reviewed the labour laws.	Yes, compliance and legal department.	Yes. Held with compliance officer and compensation officer.
Exit interview for all employees who may leave?	No	Yes, AVP-Above Interviews with HR head	Yes for all permanent staff.	Yes for all employees.
Had a Human Resources retention policy?	No, just discussed with employees	Exactly not,	Exactly not,	Better compensation packages.

#### 4.8.1 Interpretation

Regarding the theme of termination In every banks all employees have rights to left a job at any moment but before it they have to spend a specific time period according to banking regulations, except of bank of china others all banks like; bank B, bank C- and bank D they all banks have concerned with compliance for legal review.

In every organizations have different ways for this purpose, like; bank A don't have, bank B have this process but its depend on positions of in bank C the exit interview for all permanent staff, In bank D also exit interview for all employees,

For this process also every bank have their own thoughts like; bank A they just discussed with employees, in bank B they just communicated on compensation packages, in bank C they follow the same process and In bank D they also discussed on compensation packages,

#### 4.9 Employee Retention

Employee Retention	Bank A	Bank B	Bank C	Bank D
Kind of programs exist for employee retention?	Currently not having.	Compensation packages.	Compensation packages.	New Compensation packages.
Company develop attractive benefit program that can retain employees?	Initially not having.	Yes, Attractive salary range Compensation packages.	Yes, Launched an easy access of loans facility to employees.	yes
Track your staff turnover? Turnover rate this fiscal year?	Yes, only 03 employees	Yes we are. 15-20%	Yes , Total 505	Yes, 10% employees

#### 4.9.1 Interpretation

As far as concerned for the retention of employees Bank A not having this facility, bank B only have better compensation packages for retained the employees, bank C also have the attractive compensation packages , and bank D also having the same features,

Bank A not having, bank B having the attractive salary range and compensation packages, bank C having the attractive facility of loans to retain an employees, bank D also have the same features as bank B have like; attractive salary range as compare to others banks,

Track the turnover of employees for this purpose all banks like; bank A who had a turnover since last 3 years of only 3 employees are left the bank which shows the strong infrastructure of bank, in bank B 15-20% employees are left the bank in last year where shows the bank in process to make good arrangements to retain the employees, in bank C total 505 employees were left a bank, in bank D there were only 10% employees who were left a bank in previous year which shows the organization implementing the hr functions properly.

Bank C having the highest rate in turnover of employees which shows how bad the organization in their hr functions,

#### 6. Conclusion

The research regarding the role of HR audit in organization effectiveness also correct implementation of HR functions reveals the lot about discussing matters which are important to be brought under discussion, Indeed HR audit is an effective tool to assess the efficiency of the current HR activities, it's give opportunity to align the HR practices with the organizational activities and identify the improvent areas,

It allows an organizations to assess and evaluate any gaps or potential risk and increase the commitment of HR professionals towards continues improvement, the respondents statements about the effective role of HR audit is; totally based on its powerful implementation on HR functions with the legal provisions and organization policies,

All the HR functions such as performance appraisal, training and development, recruitment and selection, career and development, succession planning, and etc., are fine-tuned as a result of HR Audit, So we can conclude that;

- HR Audit can be performed through the measurement of the effectiveness of the HR functions of an organization.
- Human Resources are complied with the managerial policies, procedures and legal provisions.

- HR Audit can be a significant tool for organization success through its strong implementation.

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