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Research Paper HRM

A Study on Need for Human Resource Auditing in Educational Institutions With Special Reference to Educational Institutions of Vellore District

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ABSTRACT

In today's world, there is mounting pressure on Educational Institutions both from external and internal forces. Especially in the past decade more importance is given for Human Resources. Human Resource comprises one of the most valuable assets and it is a better source of capital. Human Resource co-ordinates all other resources to the optimum advantage of the Educational Institutions. Human Resource functions have a paradigm shift from qualitative to quantitative in nature. Now a days , Educational Institutions are facing many challenges like declining quality resource, growing national and international competition, increase in cost, ever-changing political and fiscal policies makes the Educational Institutions to follow Human Resource Auditing in order to survive for long run.

Human Resource Audit checks the performance of the institutions. It reveals how the management gets things done through the efforts of Human Resource. It acts as an overall quality control and check on Human Resource function.

This research paper studies the need for Human Resource Audit in Educational Institutions in Vellore district. It also gives clear idea about the overall status of faculties and to find out whether existing Human Resource functions yield desired result.

KEYWORDS : Human Resource Auditing, Educational Institutions, Vellore

Introduction

Human Resource Audit in Educational Institution is a systematic survey and analysis of different Human Resource functions with a summarized statement of findings and recommendations for correction of deficiencies. It examines and evaluates policies, procedures and practices to determine the effectiveness of Human Resource function in an Educational Institutions. It ensures that sound and cost effective policies are implemented in an Educational Institutions.

Meaning of Human Resource Audit

Human Resource Audit checks the performance of the Educational Institutions as to the management of its Human Resources. It measures the performance of Human Resource functions, compares with the standard, discovers the variance and takes corrective action to remove them. In short it acts as a control mechanism as far as Human Resource function is concerned.

Definition

According to SEYBORD .G. "Human Resource Auditing refers to an examination and evaluation of policies, procedures and practices to determine the effectiveness of Human Resource management. It helps the personnel department to determine what should be done and what should not be done in future."

In other words, Human Resource Audit is a periodic review to measure the effectiveness of personnel management and to determine the steps required for more effective utilization of Human Resources.

Nature

Human Resource Audit is a dynamic process. It is a non- routine practice designed to cater the unique needs of the Educational Institutions at a particular point of time. It can be conducted through survey method or by hiring external consultants.

A periodic Human Resource Audit can qualify its effectiveness within an Educational Institutions. It can accomplish a variety of objectives, such as ensuring legal compliance, maintain competitive advantage, establishing efficient documentation and technology practices, identifying strengths and weakness of various Human Resource practices of Educational Institutions. Human Resource findings are usually internal document that need not be disclosed to the public. Human Resource Audit allows Educational Institutions to get a general idea of where it stands, so that it can better correct any potential problems and plan for future.

Benefits of Human Resource Audit

- It helps to understand the existing system and assess the strengths and weakness of the Educational Institutions and suggest methods for improvement and for overcoming weakness.
- It identifies the bottlenecks in the existing management system and identifies opportunities for various reforms in Human Resource to face the challenges of internationalization in education.
- It provides various methods for maintaining quality in education.
- It evaluates optimum utilization of Human Resource.
- It stimulates uniformity in Human Resource policies and practices.
- It reduces Human Resource cost.

Scope of Human Resource Audit

- Mission
- Policies
- Recruitment
- Selection
- Job analysis
- Training
- Labour relation
- Wage & salary
- Performance appraisal

Role of Human Resource Auditor

- He gets current facts about Educational Institutions.
- Studies the effectiveness of Human Resources.
- Analyze the Human Resource factors and give recommendations to correct deviation for the following:

1. To what extent objectives are achieved.
2. To what extent performance standards are accomplished.
3. Whether there is deviation from Human Resource policies.

- Evaluate employees

- To assist management by identifying the gap and formulates plan for correcting deviations if any.

Auditing process

- **ORIENTATION:**

Staff members oriented towards organization plan and policies.

- **SCANNING:**

Human resource records, Appraisal forms etc.

- **SURVEY:**

Get information of strength and weakness of management.

- **INTERVIEWS:**

Training, performance appraisal, succession planning, compensation etc.

- **SYNTHESIS:**

Present Human resource situation and issues identified.

Objective of the study

- To study the concept of Human Resource Audit in general.
- To review the system of Human Resource Audit in Educational Institutions in Vellore district.
- To study the improvement in performance levels within institutions due to Human Resource Audit.
- To evaluate how Human Resource Audit identifies the problem and solve them smoothly.
- To summarize the findings and to offer suggestions for strengthening Human Resource Audit in Educational Institutions in Vellore district.

Education in Vellore District

Vellore district is one of the leading district of the state, where the development of the education has been consistently good and commendable. The American Arcot Mission, which was established in Vellore in1853, has the distribution of pioneering the cause of higher education by establishing The American Arcot Mission College affiliated to University of Madras as early as 1898. The Government of Tamilnadu with an ambitious scheme and ardent desire to promote higher education setup series of Arts and Science colleges throughout the district. The private participation in the growth of higher education in the district is also overwhelming. Vellore district is not lagging behind in providing professional education. Christian medical college and Vellore institute of Technology with international reputation is fine example for this.

The phenomenal growth of these educational institutions in the district testifies the growing demand and the keen interest evinced by the student community for higher and professional education.

Significance of the study

In recent years, to keep pace with the changing environment**,** importance of Human Resource has increased. Periodic Human Resource Audit can help to identify the changing training needs and development of new training modules for effective utilization of manpower. Environmental changes in Educational Institutions needs innovative management philosophy and practices like participative management, employee empowerment, employee involvement, changing role of trade unions, government, emergence of international quality in education system, customer oriented policies etc.

Periodic Human Resource Audit covers all these significant factors. So, this study is undertaken in the Educational Institution of Vellore district.

Limitation of the study

- This study is confined to only select Educational Institutions in Vellore district.
- Only 50 samples are collected for this study.

Literature Review

According to **Ali .N. Azad**, the types of institutions whether private or public use operational auditing to the extent of their economic necessity. He concluded that perceived importance of applying operational auditing to different functional areas is commonly shared by all auditors survey are not influenced by the type of institution they serve.[1]

Kristi Ploom and Toomas Haldma in their study found that student's academic performance is the most common indicator of a school's performance influences individual goals, such as satisfaction with the quality of education and teaching in the school and the students' further choices and opportunities in education. The satisfaction of other interested parties such as teachers and parents is influenced by the school's strategic as well as operational performance management measures. Therefore, a school's performance management system must operate as a balanced system integrating the individual, operational and strategic performance management levels of the school[2].

Vathsala Wickrama singhe and Nayana Fonseka explored mechanism used by the firms to report Human Resource and found that firms belonging to the manufacturing sector mainly use reports to the Human Resource director /manager, Human Resource scorecard within Human Resource and special reports to the line management. Firms belonging to the service sector mainly use special reports to the line management. Such mechanisms could be identified as means used by the firms to internally collate information. The usage of mechanisms to externally disclose Human Resource information such as special reports to external stakeholders and separate corporate responsibility report were minimal, by the firms belonging to both sectors[3].

Yolanda Ramirez Corcoles et al states that it is necessary to conduct a profound reform and modernization of the university system with regard to the presentation of information owing to the growing need for university to increase transparency and the level of accountability delivered to their different stakeholders. He also pointed out that universities are now facing growing competition due to lower funding, which puts them under greater pressure to communicate their results including information about intellectual capital[4]

RESEARCHMETHODOLOGY

Period of study: 30 days

Research Design: Empirical Research

Study area: Educational Institutions in Vellore district.

Research Instrument: A well defined questionnaire was prepared and was distributed to respondent to know their preference and ideas.

Source of data: Primary and secondary data.

Sampling Method: convenience sampling.

Sample size: 50

Scale development: Likert5 point scale.

Statistical tools: Chi-square, pie chart.

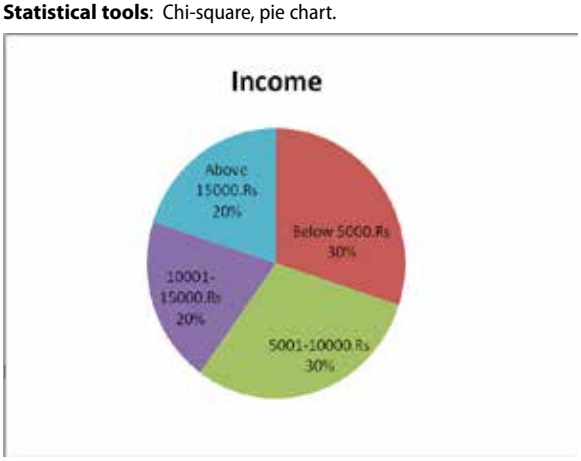


Figure.1

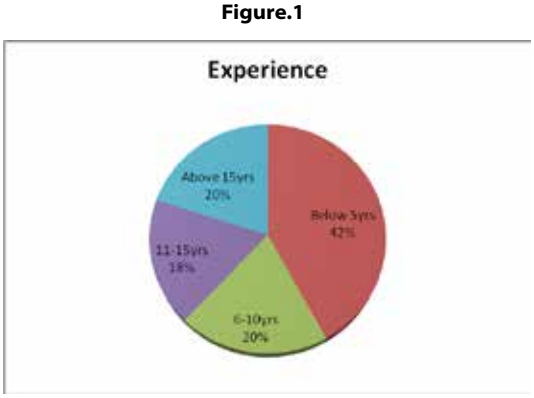


Figure.2

Table: 1

Human Resource Auditing evaluates current effectiveness of Human Resources.

Particulars	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree	total
Experience :						
Below 5 yrs	7	6	3	2	3	21
6 -10 yrs	5	0	3	1	1	10
11 -15 yrs	4	3	0	1	1	9
Above 15 yrs	3	3	1	2	1	10
Total	19	12	7	6	6	50

CHI SQUARE

Null Hypothesis: There is no significant relationship between experience and the level of rating regarding Human Resource Auditing evaluates current effectiveness of Human Resources.

Alternate Hypothesis: There is significant relationship between experience and the level of rating regarding Human Resource Auditing evaluates current effectiveness of Human Resources.

Calculated value: 8.016

Table value: 21.0

Interpretation

Calculated value is less than table value, so null hypothesis is accepted. Hence it is concluded that, there is no significant relationship between experience and the level of rating regarding Human Resource Auditing evaluates current effectiveness of Human Resources.

Table: 2

Human Resource Audit improves performance levels within the Institution

Particulars	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree	Total
Experience :						
Below 5 yrs	3	7	5	3	3	21
6 -10 yrs	2	4	2	2	0	10
11 -15 yrs	3	3	1	1	1	9
Above 15 yrs	4	2	1	2	1	10
Total	12	16	9	8	5	50

CHI SQUARE

Null Hypothesis: There is no significant relationship between experience and the level of rating regarding Human Resource Auditing improves performance levels within the institution.

Alternate Hypothesis: There is significant relationship between experience and the level of rating regarding Human Resource Auditing improves performance levels within the institution.

Calculated value: 7.799

Table value: 21.0

Interpretation

Calculated value is less than table value, so null hypothesis is accepted. Hence it is concluded that, there is no significant relationship between experience and the level of rating regarding Human Resource Auditing improves performance levels within the institution.

Table 3

Human Resource Audit identifies the problem and solves them smoothly

Particulars	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Income :						
Below 5000 RS	8	5	0	2	0	15
5001-10000 RS	6	7	2	0	0	15
10001 -15000 RS	8	0	0	1	1	10
Above 15000 RS	8	1	0	0	1	10
Total	30	13	2	3	2	50

CHI SQUARE

Null Hypothesis: There is no significant relationship between experience and the level of rating regarding Human Resource Audit identifies the problem and solves them smoothly.

Alternate Hypothesis: There is significant relationship between experience and the level of rating regarding Human Resource Audit identifies the problem and solves them smoothly.

Calculated value: 19.581
Table value: 21.0

Interpretation

Calculated value is less than table value, so null hypothesis is accepted. Hence it is concluded that, there is no significant relationship between experience and the level of rating regarding Human Resource Audit identifies the problem and solve them smoothly.

Table 4

Human Resource Audit ensures curriculum revision and updation frequently

Particulars	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree	Total
Income :						
Below 5000 RS	4	8	1	1	1	15
5001-10000 RS	7	6	0	0	2	15
10001 -15000 RS	4	3	1	1	1	10
Above 15000 RS	4	2	2	1	1	10
Total	19	19	4	3	5	50

CHI SQUARE

Null Hypothesis: There is no significant relationship between experience and the level of rating regarding Human Resource Audit ensures curriculum revision and updation frequently.

Alternate Hypothesis: There is significant relationship between experience and the level of rating regarding Human Resource Audit ensures curriculum revision and updation frequently.

Calculated value: 7.50

Table value: 21.0

Interpretation

Calculated value is less than table value, so null hypothesis is accepted. Hence it is concluded that, there is no significant relationship between experience and the level of rating regarding Human Resource Audit ensures curriculum revision and updation frequently.

MAIN FINDINGS

Through this study, it is clear that there is no significant relationship between experience, income and level of rating for the following factors:

- Human Resource Auditing evaluates current effectiveness of Human Resources.
- Human Resource Audit improves performance levels within the Institution.
- Human Resource Audit identifies the problem and solve them smoothly.
- Human Resource Audit ensures curriculum revision and updation frequently.

SUGGESTION

- Mission and goals of the Educational Institutions can be communicated to all level of Human Resource in Educational Institutions.
- Effectiveness of current Human Resource can be evaluated and management can establish a baseline for future improvement.
- Sound Performance appraisal system can be developed to measure Human Resource within the Educational Institutions.
- Human Resource Audit report can be circulated to each member in the Educational Institutions, to know their current status.
- Human Resource Audit can be conducted frequently to identify the gaps in performance and objectives of the Educational Institutions and corrective measures can be taken in time.
- Human Resource Audit can be used in Educational Institutions to increase motivation, morale and satisfaction of faculty members.

CONCLUSION

Human Resource is the valuable assets of any Educational Institutions. They act as a key factor in success of any Educational Institutions; such valuable asset should be measured and evaluated through Human Resource Auditing. The purpose of Human Resource Audit is to reveal the strengths and weaknesses of Human Resource and to identify and solve Human Resource problems in the Educational Institutions. It checks whether the Educational Institutions objective is equivalent to the mission statement of Human Resource department.

Human Resource Audit is very much essential to face the challenges and to increase the potentiality of the Human Resource in all Educational Institutions. The growing trend towards the measurement and evaluation of human asset through auditing process is to be made noticeable among all educational institution in Vellore district.

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