

HR AUDIT FOR PEOPLE PROCESSES

GUIDE & TEMPLATE

AIHR | ACADEMY TO
INNOVATE HR



Introduction



98%

of **HR professionals** are
burned out
and it's no surprise.

Source: [Forbes](#)

The pressure has never been higher for HR departments.

Employee expectations have shifted dramatically in a few years, completely changing the face of business in general and Human Resources in particular.

What your employees want now isn't what they wanted three years ago — and if you're not able to meet their expectations, they will find an employer who will. Whether it's salary, work-life balance, development prospects, or something else entirely, the pressure is on HR to create an irresistible place to work...

... or the business will face the consequences.

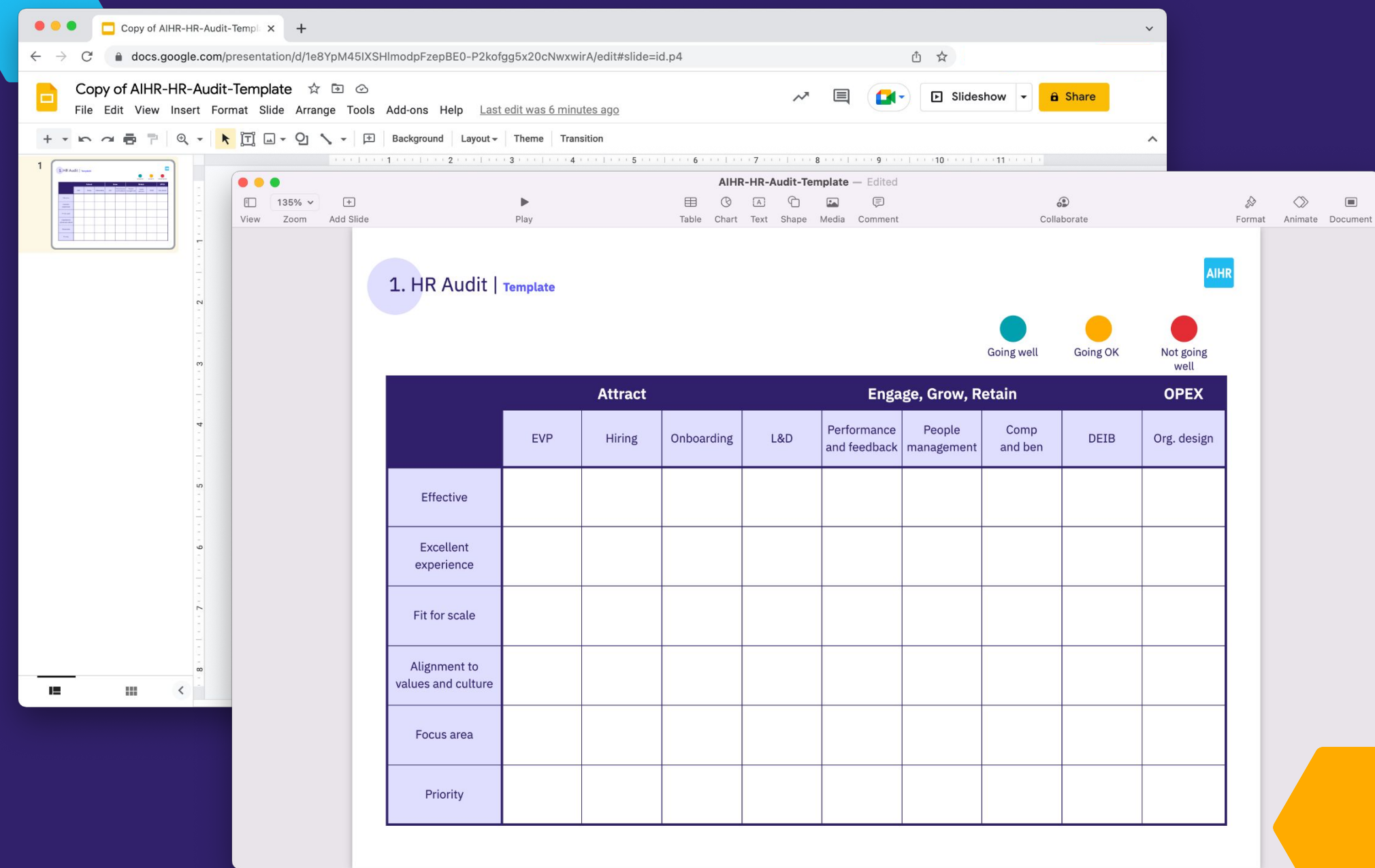
Not sure how to move forward? An HR audit can help.

Conduct your own audit

In this guide, we will explain how you can **conduct an audit of your HR processes and identify the areas that need your immediate attention.**

You will also learn how to create a clear visualization of your HR audit outcomes (with your easy-to-use template), and use this as the basis for a structured plan of action, complete with KPIs to assess your progress.

Read on to find out how you can discover your HR organization's strengths, weaknesses, and essential next steps.



Download your HR audit template now

Google Sheet

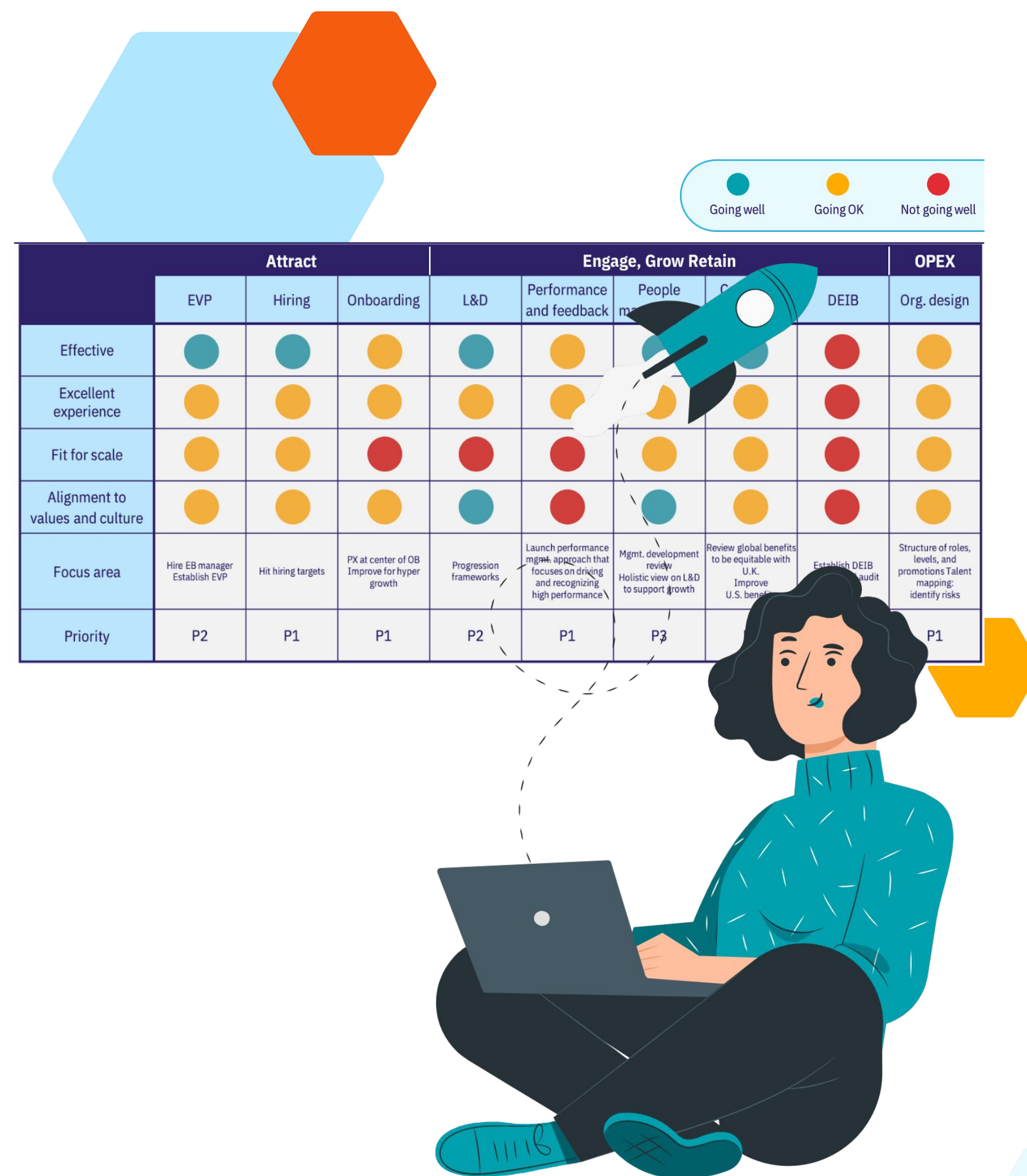
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What is an HR audit?

An HR audit reviews the human resource processes and policies to identify which areas are already performing well and which are in need of improvement. The HR audit is a lot like internal process audit. Simply put, it's like giving your HR department a report card of how effective it is.

This makes the audit the perfect tool to see if HR is compliant and fully aligned with business objectives. In other words, it can help you tighten up processes so that aspects like recruitment, onboarding, payroll, and performance management all get the attention they need.

You can find an example HR audit overview on the next page.



Example HR audit

3-point
rating scale

Employee lifecycle

Evaluation criteria



	Attract			Engage, Grow Retain					OPEX
	EVP	Hiring	Onboarding	L&D	Performance and feedback	People management	Comp and ben	DEIB	Org. design
Effective	●	●	●	●	●	●	●	●	●
Excellent experience	●	●	●	●	●	●	●	●	●
Fit for scale	●	●	●	●	●	●	●	●	●
Alignment to values and culture	●	●	●	●	●	●	●	●	●
Focus area	Hire EB manager Establish EVP	Hit hiring targets	PX at center of OB Improve for hyper growth	Progression frameworks	Launch performance mgmt. approach that focuses on driving and recognizing high performance	Mgmt. development review Holistic view on L&D to support growth	Review global benefits to be equitable with U.K. Improve U.S. benefits	Establish DEIB strategy and audit	Structure of roles, levels, and promotions Talent mapping: identify risks
Priority	P2	P1	P1	P2	P1	P3	P3	P1	P1

Making it actionable

Evaluating your policies and processes

1: Is it effective?

Is it doing what it's supposed to do? And is it doing it well enough for you to hit your goals?

2: Does it offer an excellent experience?

Is there a difference between your intention/implementation and employees' perception? Are you balancing the needs of the organization and the needs of your employees?

3: Is it fit for scale?

Would these processes/policies work if you had 50 more employees, or 500? Will these processes serve you for the next year? Or the next 5?

4: Does it align with our values and culture?

Is this what you would expect from an organization with your values? Are there any policies or processes that promote behaviors that you discourage among your employees?

	Attract	
	EVP	Hiring
Effective	●	●
Excellent experience	●	●
Fit for scale	●	●
Alignment to values and culture	●	●
Focus area	Hire EB manager Establish EVP	Hit hiring targets
Priority	P2	P1

Making it actionable: setting priorities

Once you have assessed your processes and policies, you will have a clear visualization of which processes are working well, and which need improvement. You're now ready to select next initiatives and set priorities.

Focus area

What is your next step in improving L&D, or your EVP?
Once you've decided, make a note of it in the audit document to keep things clear.

Priority

Start by prioritizing the areas that could have the biggest impact on your organization, such as legal consequences. You can then work your way down the list of priorities to work on your weaker policies and processes.

To keep things simple, we recommend using a three-point scale here, too.

	Attract	
	EVP	Hiring
Effective	●	●
Excellent experience	●	●
Fit for scale	●	●
Alignment to values and culture	●	●
Focus area	Hire EB manager Establish EVP	Hit hiring targets
Priority	P2	P1

Making it actionable: tracking key metrics

With your audit complete, you know what you need to work on. And with the right metrics, you will be able to see if your initiatives are getting the results you want.

When choosing your metrics, your guiding principle should be getting the data you need to see and understand your progress, and nothing more. That means making sure your KPIs are targeted and limited in number, like in the example below.








Need some extra help finding the best strategic metrics to track your progress? Get more information and a list of example KPIs in this in-depth article.

Read blog

Achieved

Improved

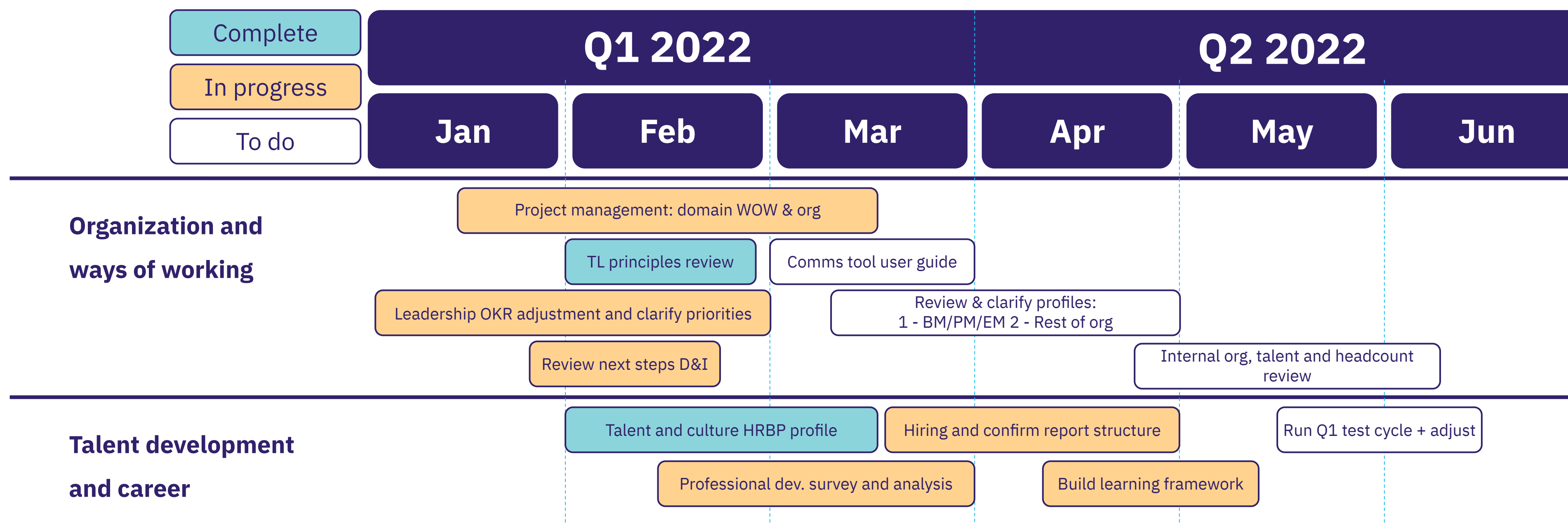
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	Effectiveness	Excellent experience	Fit for scale	Alignment to values and culture	Efficient	Quality	Knowledge
Objective	100% reduction in questions received	50% increase in positive feedback	Yes	Our values are embedded in the process	Processing reduced from 15 to 5 minutes	Corrections reduced by 60% Right first time increased to 80%	Full training and quarterly comms plan complete
Q1 progress	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>

Making it actionable: creating your plan

Thanks to your audit, you know what your focus areas are, and how they should be prioritized. You now have all the information you need to create a project plan that will keep you on track to hitting your goals.

To create clarity for your direct colleagues and your stakeholders, we recommend creating a planning overview, such as the Gantt chart below. This provides a clear overview of all planned activities, and the progress you have made so far.





HR under pressure

You now have the template and information you need to conduct an HR audit of your own. Not only are HR audits insightful, right now they can also help you avoid potential crises in your organization.

Because HR professionals are facing major challenges across the entire employee lifecycle.

A historic talent shortage

In March 2022, [a record breaking 4.5 million Americans quit their jobs](#). This marked the 10th consecutive month of 4+ million resignations. March also saw 11.5 million active vacancies, and 6.7 million people hired.

The jobs market is in flux, and we all know the cost of sourcing, hiring, and onboarding new staff.

A looming skills gap

[87% of companies are already facing skills gaps, or expect to within 5 years](#). This means workers need new skills to stay effective, and this isn't going to change any time soon.

If anything, workers will need more frequent training, with [the half-life of skills shrinking to just 5 years — and 2.5 for technical skills](#).

An unprecedented focus on EX

2020 saw work change radically for many employees. While many of the restrictions that changed the way we worked have been lifted, the change in mindset is here to stay.

HR under pressure

Employees need workspaces (both physical & digital) that allow them to be more productive. [In 2022, employees who feel their workspace allows them to be more productive report a 92% engagement rate](#) — and this plummets to 23% among those who don't.



But simplifying this issue by investing in quality physical workspaces and ending hybrid work isn't the solution: 35% of employees report that they're more likely to look for a new job if they're forced to work in an office full-time.

Need some help?

If you're an HR generalist, it's on you to help your organization overcome these three very important and very different challenges — and many more we haven't discussed here.

Not sure you have the skills and knowledge required to tackle challenges across the entire employee life cycle? Then the [HR Generalist Certificate Program](#) might be what you're looking for.

UPSKILL

Make an impact as an HR Generalist

Get the **knowledge, tools, and templates** you need to succeed as an HR team of one in the **HR Generalist Certificate Program**.

- ✓ Driving Business Value & Measuring Success
- ✓ Policies & Processes for the Employee Lifecycle
- ✓ HR in a Scaling Business
- ✓ HR Communications Toolkit
- ✓ HR in Practice: Daily Operations & Strategy Design

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