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## PERSONNEL AUDIT IN THE PERSONNEL MANAGEMENT SYSTEM AND METHODOLOGICAL PRINCIPLES OF ITS CONDUCT

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### Key words:

personnel management system,  
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methodology, personnel analysis

The essence of personnel management is determined, which consists in ensuring the development and implementation of personnel potential. The definition of the concept of "personnel audit" is given according to various scientists. The directions of the personnel audit and its main goal, which is the long-term growth of personnel efficiency are determined as the main resource of the organization. It is noted that personnel audit appears as a method of controlling the effectiveness of personnel management systems. It has been analyzed that new effective personnel management methods and systems are implemented on the basis of personnel audit. The events and situations that it is advisable to conduct a personnel audit are identified, among which the reorganization of the enterprise, the rationalization of the management of branches and separate divisions of the enterprise, the assessment of the personnel potential of the enterprise, the resolution of issues related to the company's investment, etc. are highlighted. A comparison of internal and external personnel audits was made, their advantages and disadvantages were highlighted, which must be taken into account when deciding on the appointment of auditors. The methodological principles of conducting a personnel audit are specified, which are based on the definition of the audit object, audit subjects, the purpose and tasks of the personnel audit, in accordance with which the auditor selects a set of tools from a number of methods and approaches, the qualitative and quantitative state of the personnel, the effectiveness of its use, determination of the level of staff composition and structure of the production program of the enterprise and its general strategy. The stages of the personnel audit were analyzed, based on the results of which it is possible to evaluate: the staffing ratio and the need for personnel, the quality structure of the management personnel, the need for training, management styles, the socio-psychological climate, innovative potential, the main sources of resistance to changes, the distribution of personnel within the organization. Attention is focused on the fact that the variety of methodological tools allows the auditor to get a thorough conclusion about the personnel management system at a certain enterprise in a certain period of time.

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## КАДРОВИЙ АУДИТ В СИСТЕМІ УПРАВЛІННЯ ПЕРСОНАЛОМ ТА МЕТОДОЛОГІЧНІ ЗАСАДИ ЙОГО ПРОВЕДЕННЯ

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### Ключові слова:

система управління персоналом,  
кадровий аудит, персонал,  
аудиторська перевірка,  
методика, аналіз персоналу

Визначено сутність управління персоналом, що полягає у забезпеченні розвитку та реалізації кадрового потенціалу. Надано визначення поняття "кадрового аудиту" за різними науковцями. Визначено напрями кадрового аудиту та його основна мета, яка полягає у довгостроковому зростанні ефективності персоналу як основного ресурсу організації. Зазначено, що кадровий аудит постає як метод контролю ефективності систем управління персоналом. Проаналізовано, що на основі кадрового аудиту впроваджуються нові ефективні методи та системи управління персоналом. Визначено події та ситуації, які доцільно проводити кадровим аудитом, серед яких виділено реорганізацію підприємства, раціоналізацію керованості філій та відокремлених підрозділів підприємства, оцінку кадрового потенціалу підприємства, вирішення питань щодо інвестування компанії

тощо. Здійснено порівняння внутрішнього та зовнішнього кадрового аудиту, виділено їх переваги і недоліки, які необхідно враховувати при ухваленні рішення про призначення аудиторів. Визначено методологічні засади проведення кадрового аудиту, що ґрунтуються на визначенні об'єкта аудиту, суб'єктів аудиту, мети та завдань кадрового аудиту у відповідності до який аудитором обирається сукупність інструментарію з низки методів та підходів, якісного та кількісного стану персоналу, ефективності його використання, визначення рівня складу та структури персоналу виробничій програмі підприємства та його загальної стратегії. Проаналізовані етапи аудиту персоналу, за результатами якого можна оцінити: коефіцієнт кадрової забезпеченості та потреба в персоналі, якісну структуру управлінського персоналу, потреба у навчанні, стилі управління, соціально-психологічний клімат, інноваційний потенціал, основні джерела опору змін, розподіленість персоналу у межах організації. Зосереджена увага на тому, що різноманітність методологічного інструментарію дозволяє аудитору отримати ґрунтовний висновок щодо системи управління персоналом на певному підприємстві за певний відрізок часу.

### Formulation of the problem

Currently, under the changing conditions of operation and organization of the activities of commercial organizations, the problem of formation and development of the personnel management system as a tool for increasing the efficiency and effectiveness of the commercial activities of organizations and enterprises of various forms of management is becoming more and more obvious. In conditions where the main factors of competitiveness are the availability of labor, the degree of its motivation, satisfaction with working conditions, which determine the effectiveness of the use of personnel, the issues are becoming increasingly important of a new understanding of the essence of the company's personnel and a new understanding of the personnel management system, its interaction with other structural systems, elements that ensure the efficient operation of enterprises. Such a situation has accrued, which allows us to assert that under the influence of economic, political, legal and social transformations in the activities of various organizations and enterprises, which are becoming more and more commercial in nature, an objective need has arisen not only to clarify the active function of personnel, but also to provide a management system personnel with new properties and qualities that ensure the efficient operation of enterprises. The modern system of personnel management is a system of ideas and methods of effective construction and management of organizations, which is formed under the influence of the realities of business life in developed countries and includes such elements as: the ability to deal with people; search for necessary professionals; training of employees and their certification; selection of candidates to work; study of professional orientation of personnel; evaluation and development, transfer and rotation of personnel. In this regard, the issue of practical application of modern forms of personnel management, which permit to increase the socio-economic efficiency of any enterprise, is becoming particularly relevant, therefore the task is to increase the efficiency of personnel management in order to ensure the competitiveness of the enterprise, which can be solved by building a system of complex personnel audit.

### Analysis of recent research and publications

The information base of the research was the works of domestic scientists and economists, including: A. M. Kolot [5], O. V. Krushelnytska [6], N. M. Slivinska [11] and other scientists, special economic literature, materials of scientific conferences, periodicals, Internet resources, etc.

**The formulation of the goals of the article** is the substantiation of the essence of the personnel audit in the personnel management system and its methodological foundations and the development of a set of recommendations for improving its activities.

### Presentation of the main research material

In general, an audit is understood as an independent verification of the accounting (financial) statements of the person being audited, with the aim of expressing an opinion about the reliability of such statements. Also, an audit is a procedure of independent assessment of the activity of an organization, system, process, project or product [2]. Also, the meaning of the concept of "audit" is determined from Latin, as *auditus* – listening, eavesdropping; auditor – listener. So, some kind of listener (auditor) carefully listens to the client who talks about his affairs and, if possible, helps in solving some problems. The main approaches to defining this concept are presented in Table 1.

Analysis of the definitions from the Table 1 shows that the essence of the audit is interpreted by researchers in different ways. In some definitions, it is emphasized that the audit involves conducting an examination, in other definitions, attention is focused on its ultimate goal, which is to increase the efficiency of the organization. The studied concept is complex and multi-component, interpreted as an independent method (similar to the method of examination), has such mandatory characteristics as complexity, purposefulness and practical significance.

Thus, Hranit O. defines audit as a type of professional activity of independent research and assessment of the results of the organization's activities (or its specific directions) and, on this basis, the preparation of recommendations and proposals for its improvement [2].

In the modern practical activity of consulting companies that provide personnel audit services, several

Table 1 – Content of the concept of “personnel audit”

Author	Content of the concept	Essence of the concept, key words
Hrab M. B. [1, p. 48]	A system of consulting support, analytical assessment and independent examination of personnel potential of the organization	System of support, assessment, expertise
Symochko M. I. [10, p. 279]	The process of a comprehensive analysis of all elements of personnel management of the company, ways of interaction of all participants in this process, the order of setting tasks, the order of work execution and reporting	Analysis process
Slivinska M. N. [11]	Periodically carried out expertise in the field of personnel management, which includes a set of measures for collecting information, its analysis and evaluation based on the received data on the effectiveness of the use of the labor potential of the enterprise in accordance with its development strategy, and even the development of a program of organizational changes related to personnel work	Expertise
Krushelnytska O. V., Melnychuk D. P. [6, p. 88]	A complex formalized method of long-term improvement of the efficiency of organization through the improvement of personnel management systems, the increase in the efficiency of the formation and use of labor potential, which reflects the requirements of objective and professional attention to situational conditions by its characteristics	Method of increasing efficiency

approaches to the definition of personnel audit have developed. Many companies settled on the following definition: a personnel audit is a complete check of internal personnel documentation regarding its compliance with the requirements of labor legislation and personnel records, development of algorithms for personnel document flow, documentation (personnel documents) of admission and dismissal, evaluation of the quality of employees and personnel management system [5, p. 249].

The most expedient in modern practice is the following definition of personnel audit as “comprehensive evaluation of human resources and the personnel management system for their compliance with the goals and strategy of the company, as well as the identification of the causes (with an assessment of their impact and significance) of problems in the functioning of the company, with the following recommendations on aligning the human resource management system and/or human resources to the needs of the business.” This definition of personnel audit combines such concepts as management audit, personnel audit, personnel documentation audit and social audit.

The personnel audit is aimed at analyzing the local acts of the enterprise, the rules of the internal labor procedure, the collective agreement, the regulations on wages, the regulations on bonuses for compliance with the legislation; analysis of the content of orders regarding the establishment of flexible and remote working hours, control of the presence of mandatory log registration forms, etc. The main goal of personnel audit is the long-term growth of personnel efficiency as the main resource of the organization [6, p. 252].

Personnel audit appears as a method of monitoring the effectiveness of personnel management systems. On the basis of a personnel audit, new effective methods and systems of personnel management are introduced, therefore, it is advisable to conduct a personnel audit in the following cases:

- 1) during the reorganization of the company; when rationalizing the management of branches and separate divisions of the enterprise;
- 2) in the assessment of the personnel potential of the enterprise;

- 3) when deciding the issue of investing in the company, etc.

In this regard, the following expected results of the personnel audit can be highlighted:

- 1) identification of the main personnel problems;
- 2) development of programs to optimize costs for company personnel management;
- 3) assessment of the degree of conformity of the existing structure and the number of personnel to the organization’s tasks;
- 4) identification of critical points and risk zones in the existing personnel management system;
- 5) assessment of staff readiness to implement the goals and objectives of the organization;
- 6) identification of obvious, hidden and potential sources of threats and risks related to personnel;
- 7) identifying the sources of problem and conflict situations;
- 8) development of a recommendation for optimizing and increasing the efficiency of the company’s human resources management [9, p. 169].

The content of the personnel audit depends on the object of the audit. Subjects of personnel audit can be external or internal auditors. When the auditors are company employees (for example, personnel management department specialists or a specially created project group), this is an internal personnel audit; or the auditors will be consulting companies or personnel agencies that provide a personnel audit service – in the case of an external personnel audit.

In the Table 2 presents the comparative characteristics of these types of personnel audit from the point of view of the executors.

Thus, it is necessary to take into account the indicated advantages and disadvantages of these forms of personnel audit when making a decision on the appointment of auditors. In addition, in various sources, the concept of “personnel audit” is found alongside the concept of “personnel audit”, but these are not identical concepts, because the essence of a personnel audit is a set of measures to assess the effectiveness of the personnel management system operating in the organization, while a personnel

audit is aimed at determining, assessment of the personal potential of employees and compliance of employees with the company’s corporate culture and values.

Table 2 – Comparative characteristics of internal and external personnel audit

Type of personnel audit	Advantages	Disadvantages
Internal personnel audit	Auditors are better acquainted with the specifics of a particular enterprise	Auditors are not personnel audit specialists; the possibility of an unbiased assessment; the possibility of interpersonal conflicts for the enterprise
External personnel audit	Auditors are professionals in personnel audit; auditors are objective in their assessment	Auditors are not familiar with the specifics of the enterprise

Source: [3, p. 92]

Therefore, the essence of personnel management is to ensure the development and implementation of personnel potential. A personnel audit is a comprehensive measure to assess the effectiveness of the personnel management system operating in the organization. Personnel audit is a modern tool for assessing the effectiveness of personnel and processes in the socio-economic environment of the organization. Its ultimate goal is to improve the work of the staff. For this, the auditors present the organization with a report containing recommendations on the results of the analysis of the organization’s needs, available human resources, punishment measures, incentives and motivation [7, p. 112].

Therefore, the auditor is primarily interested in the following:

- compliance of personnel and management processes with the goals of the organization, which relate to strategic directions of development and directions of technology development and support of the technological level of production;
- accordance with the planned processes of the activity of the company and the efficiency obtained from the built organizational structure;
- qualitative and quantitative analysis of the composition and structure of personnel in order to identify all personnel reserves for the achievement of strategic and operational plans of the enterprise.

These main areas of personnel audit are diagnosed according to a certain phasing of the procedures. So, the stages of personnel audit are as follows:

Stage 1. Preparatory. At this stage, the objectives of the audit are defined, the selection of personnel for the audit is carried out, internal organizational documents (orders, instructions) are developed, deadlines, tasks, executors and participants of the audit are determined, executors and participants are briefed, a plan for the collection, provision and consideration of the analyzed data is composed.

Stage 2. Stage of information gathering. In the process of collecting information, personnel are monitored, documentation and reporting are checked, observations, surveys, questionnaires, interviews are conducted, statistical data are pre-processed. Computer equipment and modern information technologies allow speeding up and qualitatively completing these procedures.

Stage 3. Stage of information processing and analysis. The received information is processed and formalized in the form of tables, diagrams, graphs, charts, and then, according to the developed algorithm, data on personnel activities are analyzed and evaluated by comparison with other similar organizations or scientifically based norms.

Stage 4. The last stage. At this stage, a report on the results of the audit is prepared, conclusions and recommendations are formulated regarding the rationalization of personnel work and the improvement of personnel service of the organization [8, p. 114–115].

According to the results of personnel audit, it is possible to evaluate:

- 1) staffing ratio and the need for personnel;
- 2) quality structure of management personnel;
- 3) the need for training;
- 4) management styles;
- 5) socio-psychological climate;
- 6) innovative potential;
- 7) main sources of resistance to changes;
- 8) distribution of personnel within the organization.

Also, for an effective assessment of personnel, it is necessary to choose a suitable methodology based on the objectives of the inspection and its main tasks. Types of personnel evaluation can be divided into groups according to such criteria as frequency of conduct, completeness of coverage, methods of analysis, level of audit, methods of personnel evaluation (Table 3).

Therefore, personnel audit is very important for any enterprise, because the effective development of any enterprise requires constant improvement of the level of competence and qualification of its employees. A full-fledged, competent personnel audit is the main means of controlling the personnel situation at the enterprise, and the result of such an audit is a reduction in personnel turnover, an increase in labor productivity, the identification of the need for personnel training, and savings in the search for new personnel.

### Conclusions

Thus, the personnel audit in the personnel management system of the enterprise is designed to evaluate the personnel management system itself in general and in combination with the general management system of the organization. It permits to give a qualitative assessment of the labor process, the regulation of labor relations, and the efficiency of the use of labor potential and, as a result, to improve the quality of management decisions.

Personnel audit is a necessary component of the management system of any organization, especially in the conditions of a market economy. The existing difficulties in its implementation significantly reduce the effectiveness of the personnel audit results, and the

Table 3 – Types of personnel evaluation

Sign of classification	Type of personnel audit	The main characteristics
Frequency of conducting	– Current. – Operative. – Regular. – Panel.	– It is carried out according to a pre-established schedule for a certain period of time. – It is carried out according to the operative order of the management. – Conducted at certain intervals. – It is carried out with a certain periodicity, with the same methodology and tools, on the same groups of people and the same objects.
Complete coverage of the studied objects	– Full. – Local.	– Covers all objects. – Covers a separate group of objects or one object.
Methodology of analysis	– Thematic. – Complex. – Selective.	– Includes all objects, but from the same subject. – Uses the entire arsenal of methods. – The analysis is carried out with workers who were selected according to a special methodology.
Conduct level	– Strategic. – Management. – Tactical.	– The assessment is carried out at the level of senior management. – The assessment is carried out at the level of line managers. – The assessment is carried out at the level of the personnel management service.
Method of inspection	– External. – Internal.	– It is carried out with the help of external specialists. – Conducted by employees of the organization.

Source: [12]

proposed recommendations will allow to improve the procedure for its implementation, and, therefore, to increase the effectiveness of the enterprise at the expense of the personnel component. Personnel audit is a regular, multi-stage and step-by-step process, its essence is constant observation, not periodic measures. The question of specifying methodical approaches and personnel audit procedures requires further research.

The methodological principles of conducting a personnel audit are based on the definition of the object of the audit, the subjects of the audit, the purpose and

tasks of the personnel audit, in accordance with which the auditor (consultant) selects a set of tools from a number of methods and approaches to the diagnosis of the state of managerial work in relation to personnel, quality and the quantitative status of personnel, the efficiency of its use, determination of the level of composition and structure of personnel, the production program of the enterprise and its general strategy. The variety of methodological tools permits the auditor to get a thorough conclusion about the personnel management system at a certain enterprise in a certain period of time.

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