



HR Audit finding reporting



Report outline

The following is the outline I use for audit reports:

- Cover page or logistics header: contextual information that characterizes the report.
- Introduction and background: information regarding the purpose and scope that was contained in either the audit plan or notification letter.
- Results and summary: the overall conclusions and recommendations.
- Detailed results: a listing of all findings.
- .Appendix: supplemental information that might explain or clarify the information contained in the report





McKinsey 7s model

McKinsey 7s model is a tool that analyzes firm's organizational design by looking at 7 key internal elements: strategy, structure, systems, shared values, style, staff and skills, in order to identify if they are effectively aligned and allow organization to achieve its objectives.





McKinsey 7s model cont.

McKinsey 7s model was developed in 1980s by McKinsey consultants Tom Peters, Robert Waterman and Julien Philips with a help from Richard Pascale and Anthony G. Athos. Since the introduction, the model has been widely used by academics and practitioners and remains one of the most popular strategic planning tools





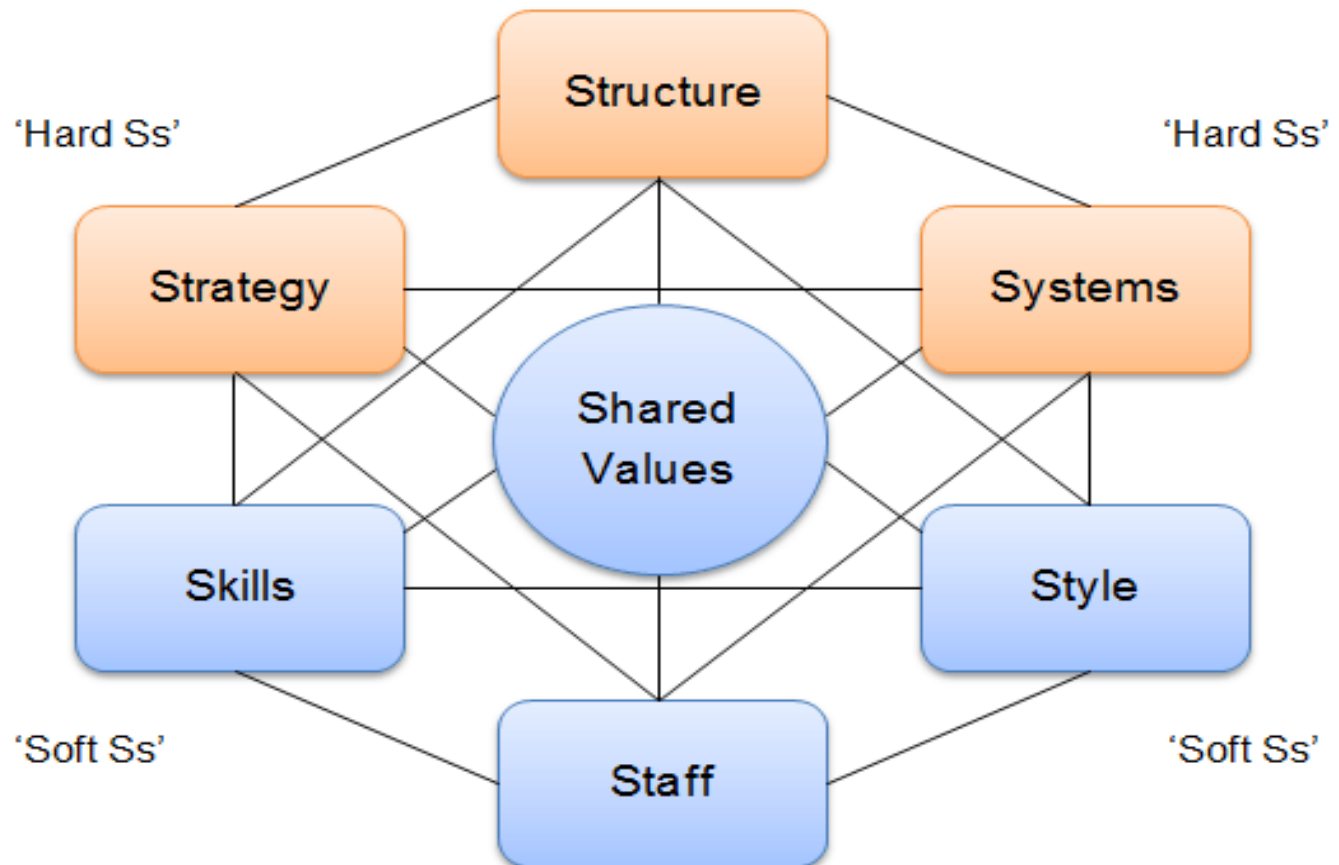
McKinsey 7s model cont.

- The goal of the model was to show how 7 elements of the company: Structure, Strategy, Skills, Staff, Style, Systems, and Shared values, can be aligned together to achieve effectiveness in a company. The key point of the model is that all the seven areas are interconnected and a change in one area requires change in the rest of a firm for it to function effectively.





7S Model





Uses of the model

- The model can be applied to many situations and is a valuable tool when organizational design is at question. The most common uses of the framework are:
- To facilitate organizational change.
- To help implement new strategy.
- To identify how each area may change in a future.
- To facilitate the merger of organizations.



Soft and Hard elements

Strategy, structure and systems are hard elements that are much easier to identify and manage when compared to soft elements. On the other hand, soft areas, (**Skills, Staff, Style, Systems, and Shared values**) although harder to manage, are the foundation of the organization and are more likely to create the sustained competitive advantage.





Strategy

Strategy is a plan developed by a firm to achieve sustained competitive advantage and successfully compete in the market.





Structure

Structure represents the way business divisions and units are organized and includes the information of who is accountable to whom. In other words, structure is the organizational chart of the firm. It is also one of the most visible and easy to change elements of the framework.





Systems

Systems are the processes and procedures of the company, which reveal business' daily activities and how decisions are made. Systems are the area of the firm that determines how business is done and it should be the main focus for managers during organizational change.





Skills

Skills are the abilities that firm's employees perform very well. They also include capabilities and competences. During organizational change, the question often arises of what skills the company will really need to reinforce its new strategy or new structure.





Staff

Staff element is concerned with what type and how many employees an organization will need and how they will be recruited, trained, motivated and rewarded.





Style

Style represents the way the company is managed by top-level managers, how they interact, what actions do they take and their symbolic value. In other words, it is the management style of company's leaders.





Shared Values

Shared Values are at the core of McKinsey 7s model. They are the norms and standards that guide employee behavior and company actions and thus, are the foundation of every organization.





Structure

		Aligned
Strategy	Market penetration	Yes
Structure	Simple structure	Yes
Systems	Few formal systems. The systems are mainly concerned with customer support and order processing. There are no or few strategic planning, personnel management and new business generation systems.	Yes
Skills	Few specialized skills and the rest of jobs are undertaken by the management (the founders).	Yes
Staff	Few employees are needed for an organization. They are motivated by successful business growth and rewarded with business shares, of which market value is rising.	Yes
Style	Democratic but often chaotic management style.	Yes
Shared Values	The staff is adventurous, values teamwork and trusts each other.	Yes



Strategy no longer viable



		Aligned
Strategy	Market penetration	No
Structure	Bureaucratic machine	Yes
Systems	Order processing and control, customer support and personnel management systems.	No
Skills	Skills related to service offering and business support, but few managerial and analytical skills.	No
Staff	Many employees and appropriate motivation and reward systems.	Yes
Style	Democratic but often chaotic management style.	No
Shared Values	Enthusiasm and excellence	No



Alignment (Strategy, systems, skills and style)



		Aligned
Strategy	Market development	Yes
Structure	Bureaucratic machine	No
Systems	Order processing and control, customer support, personnel management and strategic planning systems.	Yes
Skills	Skills aligned with company's operations.	Yes
Staff	Employees form many cultures, who expect different motivation and reward systems.	No
Style	Democratic style	Yes
Shared Values	Enthusiasm and excellence	No



McKinsey 7-S Model

- Strategy
- Structure
- Systems
- Style
- Staff
- Skills
- Superordinate goals

In change processes, many organizations focus their efforts on the hard S's; however, the soft factors can make or break a successful change process. All factors must be accounted for.





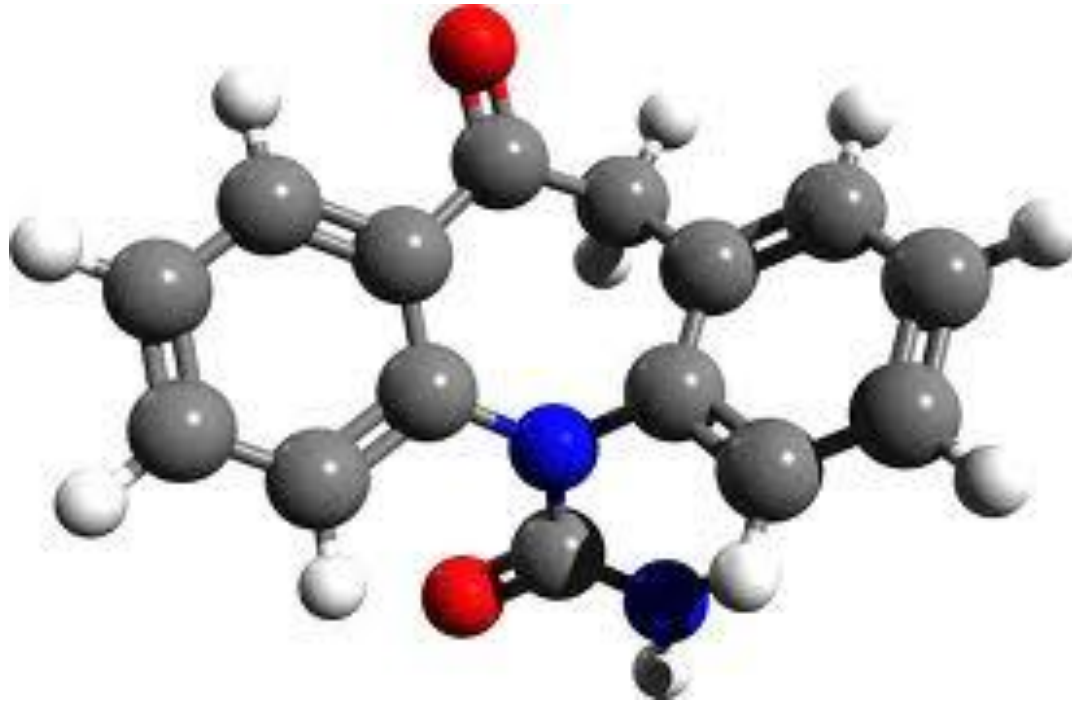
Strategy...

- Organization does not have a HR strategy and we did not seem to get the corporate strategy either. 😞
- This hinders a focused growth and support that HR could offer to the organization.
- Areas of strategy that the organization could focus on are;
 - Strategic HR Planning
 - Open communication between management and employees
 - Focused learning and development
 - Organization goal and values alignment (Culture)





Structure




The basic organization of the company, its departments, reporting lines, areas of expertise and responsibility (and how they inter-relate).





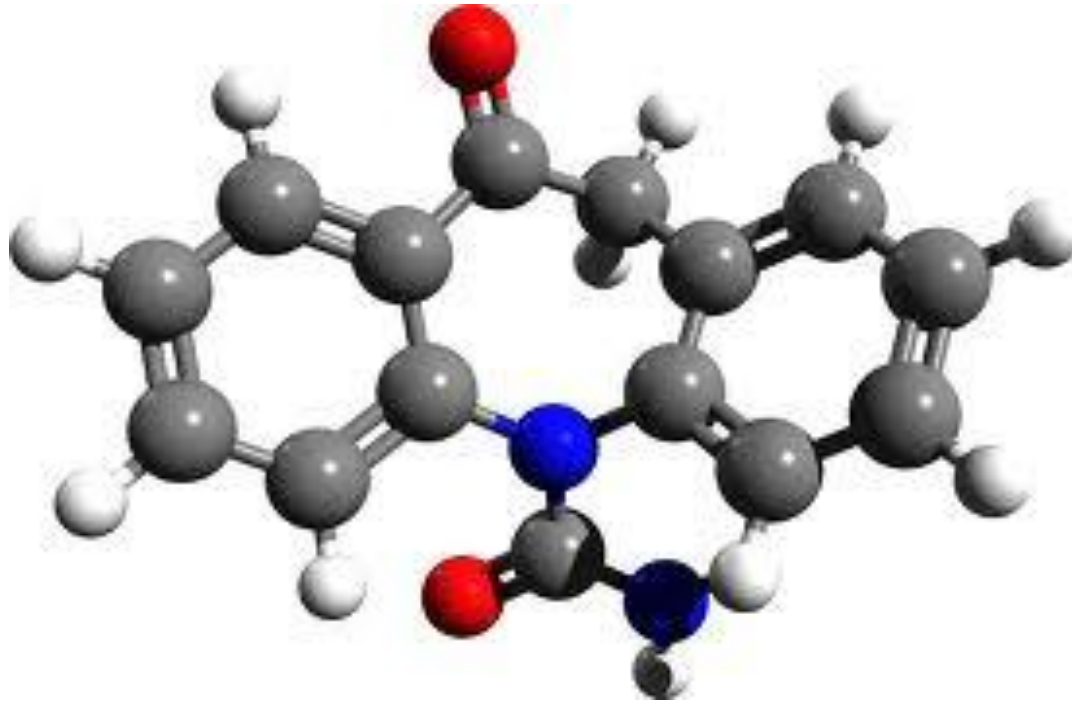
Organization Structure

- Flow of information is curtailed by many managers at the same level and lack of SOPs.
- Decision making is slowed due to  bureaucracy.
- Junior employees work better as teams than senior/ managerial employees.
- Decisions regarding payment approvals, quotations are delayed due to the organization's hierarchical structure.
- There is need for clear reporting lines (Technical-Transport manager, Operations in charge, Cleaner/Messenger and Accounts Officer)





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Systems



This refers to daily activities and procedures that staff members engage in to get the job done. There are formal and informal procedures that govern everyday activity, covering everything from management information systems, communication systems and channels, through to the systems at the point of contact with the customer.



Manpower planning

Manpower planning is defined by Thomas H. Pattern as “the process by which an organization ensures that it has the right number of people at the right time doing things for which they are economically useful”

- The manpower planning is perceived by employees as missing; filling of position is on adhoc basis and replacement / hiring 😞 takes long.





Recruitment function



- Recruitment process is clear and consistent;
 - advertisement
 - application
 - interviewing
 - communication
 - documents presentation
 - reference checks (a few not done)
 - medical test (consent not sought, medical results not shared and not regularly conducted) 😞 company exposure
 - contracting.
- Recruitment process is professionally conducted 😊



Skills

- Document a skill and career enhancement program based on the strategic company direction.
- Manage a well coordinated skill acquisition / build
- Provide training based on identified functional gap against documented policy guideline (eradicate bias)





A summary of the findings for each performance criteria is outlined below.

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Key Element	Performance Criteria	Rating	Score
A. Policy & Commitment	1 Policy	C	3
	2 Management Responsibility	D	2
B. Planning	3 Planning Processes	D	2
C. Implementation	4 Consultation	B	4
	5 Risk Management	C	3
	5(a) Driver Safety	D	2
	6 Healthy Lifestyle Programs	B	4
	7 Information, Instruction & Training	D	2
	8 Injury Treatment & Management	A	5
	9 Claims Management	B	4
	10 Incident Recording, Investigation, Analysis & Review	D	2
D. Measurement & Evaluation	11 Measuring & Evaluating HSW Performance	B	4
E. Review & Improvement	12 Reviewing HSW Performance	B	4
	13 Institute Director and/or DG Reporting	B	4
Overall Rating			3.21





Thank you







