

Enrollment No./Seat No.:

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA - SEMESTER - III EXAMINATION - WINTER 2025

Subject Code: 4539233

Date: 19-12-2025

Subject Name: Human Resource Audit

Time: 10:30 AM TO 01:30 PM

Total Marks: 70

Instructions

- 1. Attempt all questions.**
- 2. Make suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**
- 4. USE of SIMPLE calculators AND non-programmable scientific calculators are permitted.**

	Marks
Q.1 ALL 7 Questions must be Compulsory.	14
(a) What is valuation of human resource?	
(b) How does HR Audit help in compensation management?	
(c) Describe any two important goals of audit.	
(d) Explain the term KPI	
(e) Explain term "Employee Retention"	
(f) KRAs	
(g) Explain Circulars	
Q.2 (a) What are the benefits of conducting regular HR Audits? Discuss common challenges faced while conducting an HR Audit.	07
(b) Discuss checklist of HR function audit? Also explain criteria for measuring the effectiveness of HR functions.	07
OR	
(b) Why modern organization want to undertake HRD audit? Explain process to design HRD audit process.	07
Q.3 (a) Explain the guidelines and importance of team building.	07
(b) Explain the elements involved in audit report. Describe the process of developing an audit report.	07
OR	
(a) Explain pre-employment requirements in an organization? Explain hiring process of organization with example.	07
(b) Define HRD culture. Also explain in details about auditing HRD culture and values in the organisations.	07
Q.4 (a) How to prepare HR audit report? What criteria should be kept in mind to prepare report.	07

- (b) Write a short note on "Valuation of Human Resources" 07

OR

- (a) Explain types and components of HR audit. 07
(b) Explain HR audit as legal compliance for workplace policies and practice. 07

Q.5

Mr. Arjun Mehta joined as the new HR Manager. The company, engaged in manufacturing electrical components, had around 400 employees and an annual turnover of ₹55 crores. On joining, Arjun noticed low morale, rising attrition, and outdated HR practices.

After discussions with department heads, he discovered that employees worked in silos and teamwork was poor. The existing reward system granted uniform annual increments to everyone, irrespective of performance or contribution. Arjun believed this discouraged motivation and innovation.

To address the issue, he proposed a Performance-Linked Incentive (PLI) plan, linking pay increases to measurable criteria such as attendance, quality, and teamwork. The Managing Director approved the plan, and Arjun announced its implementation.

However, the response was largely negative. Senior employees felt the system would create bias and conflict, especially since the company lacked a modern appraisal mechanism. Some even accused management of using the policy to control pay decisions unfairly.

Realizing the backlash, Arjun called a meeting with employee representatives.

Together, they decided to first develop a transparent and fair performance appraisal system before implementing pay-for-performance.

The case highlights the importance of effective communication, trust, and employee involvement in introducing HR policy changes.

- (a) What went wrong with Arjun's implementation strategy? 07
(b) How can HR managers introduce change without resistance? 07

OR

- (a) Why is transparency critical in performance-linked pay systems? 07
(b) What steps can be taken to build employee trust during policy transitions? 07
