

Cross-district Comparative Analysis of HR Audit Practices across Industries: Insights and Challenges

Gargi Malhotra^{1*}, Mridula Mishra²

¹Mittal School of Business, Lovely Professional University, Phagwara, Punjab, India, ²School of Liberal and Creative Arts (Social Sciences & Languages), Lovely Professional University, Phagwara, Punjab, India. *Corresponding Author's Email: gargimalhotra56@gmail.com

Abstract

Human Resource audit (HR) is an essential tool in analysing the effectiveness, compliance, and strategic alignment of HR functions in organizations. The practice of conducting HR audits tends to differ between industries and geographic locations, due to various organizational, regulatory, and socio-economic factors. Understanding regional variations in HR audit practices becomes crucial, particularly for Small and Medium Enterprises (SMEs) operating under diverse institutional environments. The study employs a quantitative approach in comparing HR audit practices between two different districts in terms of their industrial diversity i.e. Ludhiana and Fatehgarh Sahib. A descriptive-comparative research design was adopted and structured surveys were administered to 200 HR professionals and organizational owners across diverse industries. The survey captured data related to HR audit frequency, comprehensiveness, follow-up mechanisms, resource allocation, and perceived effectiveness of HR functions. The results were then analysed using statistical tools like descriptive statistics, ANOVA and frequency distribution for identifying significant differences between audit practices in distinct districts. The findings show significant differences in the methodologies used in HR audits, resource use, and alignment with district goals. In addition, there are common challenges, such as weak audit frameworks and uneven follow-up processes after an audit. The study contributes to the existing HR audit literature by highlighting the influence of regional and industrial diversity on HR audit outcomes. These findings provide the basis for region-specific best practices and strategies to improve audit effectiveness in order to promote sustainable HR practices across industries.

Keywords: Compliance, Effectiveness of HR Functions, HR Audit, HR Practices, Industrial Diversity, Strategic Alignment.

Introduction

HR audit has emerged as an important mechanism ensuring HR functions align with organizational strategies, compliance requirements, and operational efficiency. It evaluates HR practices to identify strengths and weaknesses, helping organizations improve processes and reduce risks. Guided by RBV, HR audits strengthen human capital and review recruitment, training, performance management, and workforce planning to address regulatory, diversity, technological, and sustainability challenges (1). Industrial diversity refers to the existence of multiple industries within a region, which influences HR audit practices. Each industry has its own requirements; for example, technology-based industries focus on innovation, while manufacturing industries emphasize compliance and labour stability. Institutional Theory explains that regulatory environments and industry norms shape the scope and implementation of HR audit

practices. Literature highlights the need for flexible HR audit models that consider industrial diversity. However, limited research has examined the direct impact of industrial diversity on HR audit practices, indicating the need for further investigation. Geographic and socio-economic factors also influence HR audit implementation. Developed regions tend to have structured HR audit practices, whereas emerging regions often face challenges such as resource constraints and lack of follow-through (2). Several systemic challenges also affect the effectiveness of HR audits, including weak audit frameworks, lack of standardized methodologies, insufficient follow-up procedures, and limited resources. These issues vary across industries and regions with diversified industrial profiles. From the Resource-Based View perspective, SMEs often lack the capacity to leverage HR audits as strategic resources, highlighting the need to understand regional

This is an Open Access article distributed under the terms of the Creative Commons Attribution CC BY license (<http://creativecommons.org/licenses/by/4.0/>), which permits unrestricted reuse, distribution, and reproduction in any medium, provided the original work is properly cited.

(Received 03rd October 2025; Accepted 31st December 2025; Published 02nd April 2026)

characteristics influencing HR audit practices. This study addresses this gap through a comparative analysis of HR audits across districts with diverse

industrial profiles, examining HR audits from both compliance and strategic perspectives (3).

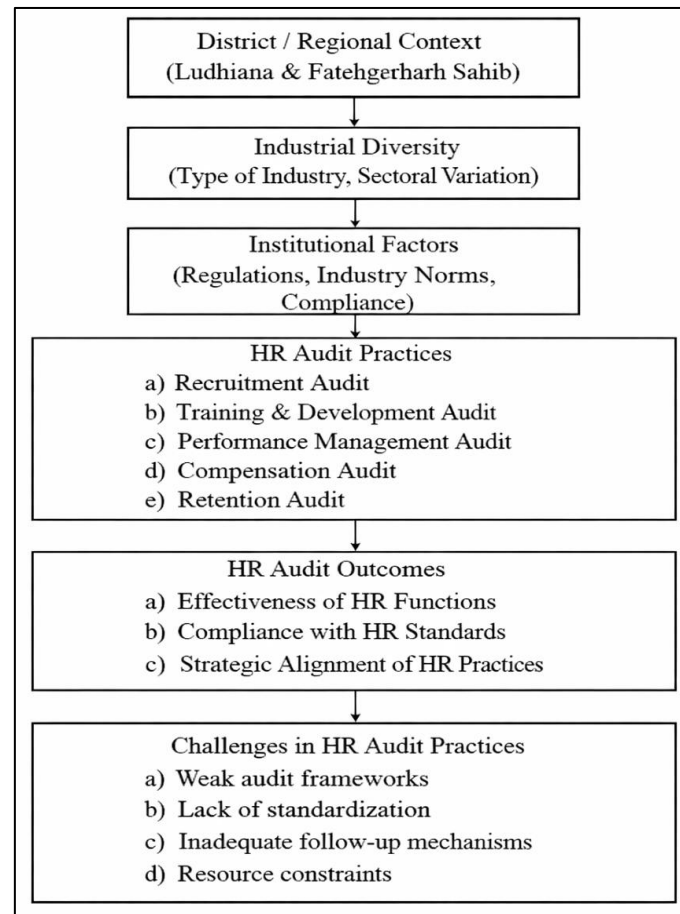


Figure 1: Conceptual Framework Linking District Context, Industrial Diversity, HR Audit Practices, Outcomes, and Challenges

As shown in Figure 1 above, district-level context and industrial diversity moderate HR audit practices through institutional factors. HR audit practices, as strategic resources according to the Resource-Based View perspective, play a critical role in determining various outcome variables such as HR audit effectiveness, compliance, and strategic alignment. Lastly, there is recognition of common challenges that moderate HR audit practice effectiveness across districts.

Despite the increasing number of studies on HR audit practices, a knowledge gap remains regarding how regional institutional diversity affects HR audit results rather than merely their adoption. Existing literature discusses HR audit methodologies but provides limited insight into how differences in institutional, socio-economic, and regulatory environments influence HR audit outcomes. Some studies address sustainable HR processes only at the macro level without

explaining how regional diversity affects HR audit effectiveness and strategic alignment of HR practices (4). This study addresses the gap through a cross-district comparative analysis examining industrial and institutional diversity and their impact on HR audit effectiveness, compliance, and alignment with regional development goals (5), while also exploring systemic HR audit challenges (6).

HR audits are essential in assessing workforce competencies and improving organizational effectiveness in various industries. Studies have shown that HR audits are essential in improving healthcare outcomes through workforce competency assessment and training effectiveness. Studies have shown that professional expertise and specialization are essential in improving audit outcomes in the auditing profession, which can be applied to HR audits in assessing workforce qualifications and

competencies (7). Other studies have shown that financial expertise is essential in improving risk management and compliance outcomes in governance structures, which can be applied to HR audits in assessing governance competencies (8). Literature emphasizes the significance of HR audits in strengthening corporate governance, diversity, sustainability, and talent management across industries. Research on corporate governance in the UAE highlights variability in governance disclosures, emphasizing the importance of accountability and responsibilities. HR audits contribute by examining governance roles and communication within HR systems, improving transparency and accountability in organizations (9). HR audits also support diversity and inclusion initiatives addressing women's empowerment and equality in the workplace (10). Sustainability has become an important focus, as studies on green HRM practices show that sustainability initiatives influence employee behaviour and commitment (11). Research also highlights the role of HR audits in evaluating recruitment, development, and retention practices to enhance organizational performance (12). Public sector audit studies demonstrate that structured audit mechanisms strengthen governance effectiveness (13). However, SMEs face challenges such as limited financial resources (14), misalignment between HR practices and business strategies (15), the need for alignment between IT and HR management (16, 17), and technological limitations including low adoption of HRIS and digital audit tools (18, 19). Employee attitudes toward HR departments influence the success of HR audits. The introduction of e-HRM may create varied employee perceptions of HR processes, and negative attitudes toward HR initiatives can reduce audit effectiveness, reflecting challenges in building accountability within SMEs. Compliance is another issue, as changing regulations affect audit practices. Lack of understanding of compliance requirements among small business owners can lead to weak HR audit practices and increased compliance risks (20). Another major issue that has impacted the efficiency of HR audits is related to HR expertise and training. Many organizations have not invested enough in training HR personnel, which is essential in ensuring effective HR audits. The effectiveness of integrated internal audits is

often dependent on auditor competence, standardized frameworks, and coordination within management systems (21). These findings are applicable to HR audit practices, where a lack of expertise and proper integration with existing systems may impact the quality and results of audits. Furthermore, the dynamic nature of HR practices requires ongoing learning and adaptation, an area where organizations often fail to focus.

Lack of resources is an additional factor that may impact the success of HR audits. Financial constraints, allocation of time, and technological support may impact the ability of HR departments to effectively execute audits. Research on audit and feedback practices indicates that a lack of resources may impact the effectiveness of audits by 22%. Such factors may impact HR audit practices, where financial constraints and a lack of external support may impact systematic evaluation and action planning. In addition, without proper resources, HR departments may be unable to obtain accurate data or hire experts to facilitate audits (22).

Research on the dynamic role of internal auditing highlights the shift from an integrated and value-adding role to strategic management systems (23). This approach underscores the significance of linking HR audits with overall organizational and management systems to achieve effectiveness and strategic importance. On another note, the lack of standardized audit procedures may create inconsistencies and reliability problems in terms of HR audit outcomes. In addition, data privacy and ethical issues may create more obstacles in carrying out HR audits. For instance, organizations must comply with existing legislation concerning data privacy for their respective employees. This may limit the evaluation methods used in carrying out the auditing process (24). Therefore, finding a balance between meeting legal requirements and conducting effective HR evaluation is another challenge facing organizations. Work culture significantly influences the effectiveness of HR audits. If organizational culture lacks transparency and accountability, employee engagement in the audit process may be limited (25). When employees view audits as formalities rather than constructive evaluations, participation decreases, limiting meaningful insights. SMEs also face challenges such as limited financial resources, lack

of skilled personnel, and complex employment regulations. Difficulties in attracting and retaining talent and limited adoption of HR information systems further restrict effective HR audits. The Resource-Based View and Social Exchange Theory provide useful perspectives for addressing these challenges (26).

Studies on the evolution of HR audit practices highlight their role in assessing HR efficiency and ensuring compliance with organizational policies and regulations. Similar to financial audits, HR audits help organizations identify gaps in HR effectiveness, develop best practices, and improve productivity (27). The process includes defining scope, planning, data analysis, benchmarking HR practices, and reporting findings. SMEs face structural HR challenges as HR responsibilities often rest with general managers rather than specialists (28). Their dynamic nature, limited resources, and need for reliable employees create challenges for effective HRM and HR audit implementation (29).

Misconceptions between auditors and employees can hinder the audit process. Employees often perceive audits as inspections rather than constructive evaluations, leading to negative attitudes. HR specialists play an important role in bridging communication between auditors and employees and promoting a quality-oriented culture (30). Although HR audits improve accountability and transparency, organizations must overcome challenges such as lack of expertise, resistance to change, and limited resources.

Methodology

Research Design

The research employed a structured survey method targeting HR professionals and organizational owners in two districts. The study follows a descriptive-comparative research design, as it describes existing HR audit practices and compares differences between districts with varying industrial diversity. The survey collected quantitative data on various HR audit practices, including audit frequency, methodologies, resource allocation, and perceived effectiveness in improving key HR functions.

Sampling

A purposive sampling technique was used to ensure participation from respondents with direct

knowledge and experience of HR audit practices. The target population comprised HR professionals and organizational leaders from diverse industries within the two districts. A total sample size 200 of participants was determined based on statistical power requirements and district representation.

Statistical Technique

The study employs various statistical methods to analyse the collected data. Descriptive statistics, including measures such as frequency distributions, are used to summarize trends and patterns in HR audit practices across the two districts. Inferential statistical techniques are applied to test differences and relationships among study variables. Analysis of Variance (ANOVA) is used to identify statistically significant differences in HR audit practices between the two districts. Correlation analysis is conducted to examine the relationships between key variables, such as industrial diversity and the effectiveness of HR audit frameworks. Multiple regression analysis is utilized to identify significant predictors of HR audit effectiveness, resource utilization, and alignment with district-specific goals. These techniques were selected to enable meaningful comparison between districts and to examine relationships among key variables in line with the study objectives.

Data Collection

The data collection process is centred around structured surveys administered to 200 HR professionals and organizational owners from diverse industries across two districts. The survey instrument is a structured questionnaire designed to collect data on HR audit methodologies, resource allocation, compliance levels, perceived effectiveness, and challenges. Likert-scale items, binary questions, and ranking questions are used to facilitate quantitative analysis. As the study is cross-sectional in nature, the findings reflect associations rather than causal relationships, which are acknowledged as a methodological limitation.

Common Method Bias

Given the self-reported nature of the survey data, both procedural and statistical remedies were employed to address potential common method bias. Respondents were assured of anonymity and confidentiality, and the questionnaire items were carefully designed to minimize response bias. Statistically, Harman's single-factor test was

performed using exploratory factor analysis. The results indicated that the first factor accounted for less than 50% of the total variance, suggesting that

common method bias does not pose a significant threat to the validity of the study findings.

Results

Table 1: Reliability of Research Instrument

Construct	Cronbach's Alpha
Audit Frequency	0.76
Audit Comprehensiveness	0.84
Follow-Up Actions	0.81
HR Audit Challenges	0.78
Overall Scale	0.86

Reliability Analysis

Table 1 presents the reliability statistics of the research instrument, indicating acceptable to high reliability across all constructs. The Cronbach's alpha values for audit frequency (0.76), audit

comprehensiveness (0.84), follow-up actions (0.81), and HR audit challenges (0.78) exceed the recommended threshold, while the overall scale demonstrates strong reliability with a value of 0.86.

Table 2: Descriptive Statistics Table

District	N	Mean (Audit Frequency)	Std. Deviation	Mean (Audit Comprehensiveness)	Std. Deviation	Mean (Follow-up Actions)	Std. Deviation
Ludhiana	100	3.45	0.55	4.15	0.70	3.85	0.65
Fatehgarh Sahib	100	2.85	0.60	3.55	0.75	3.25	0.60
Total	200	3.15	0.60	3.85	0.75	3.55	0.63

Significant Differences in HR Audit Practices between Two Districts

Table 2 presents the descriptive statistics for audit frequency, audit comprehensiveness, and follow-up actions for organizations located in Ludhiana

and Fatehgarh Sahib. The results indicate higher mean scores for all HR audit practice dimensions in Ludhiana compared to Fatehgarh Sahib, suggesting relatively stronger HR audit practices in the former district.

Table 3: ANOVA Table

Variable	Sum of Squares	df	Mean Square	F	Sig. (p-value)
Audit Frequency	Between Groups	18.12	1	18.12	52.89
	Within Groups	67.98	198	0.34	
Audit Comprehensiveness	Between Groups	21.40	1	21.40	47.76
	Within Groups	88.86	198	0.45	
Follow-Up Actions	Between Groups	20.40	1	20.40	52.50
	Within Groups	77.00	198	0.39	

Table 3 shows the results of the One-Way ANOVA test show that there is very good evidence of statistically significant differences in HR audit practices between districts Ludhiana and Fatehgarh Sahib. In case of the variable Audit Frequency, Ludhiana shows a significantly higher mean score of 3.45 compared to Fatehgarh Sahib at 2.85 with a p-value of $p < .001$. This indicates that HR audits in Ludhiana are conducted more frequently than in Fatehgarh Sahib, suggesting a more proactive approach to monitoring and assessing HR functions in organizations within the former district. Similarly, for the variable Audit

Comprehensiveness, the mean score for Ludhiana (4.15) is substantially higher than that for Fatehgarh Sahib (3.55), with a p-value of $p < .001$. This finding indicates that HR audits in Ludhiana are more comprehensive and detailed, covering a wider range of HR functions and ensuring greater alignment with organizational and district-level objectives. In terms of Follow-Up Actions, the results also show a significant difference, with Ludhiana achieving a mean score of 3.85 compared to 3.25 in Fatehgarh Sahib, and a p-value of $p < .001$.

Table 4: Multiple Regression Analysis of HR Audit Practices

Model	Coefficients				
	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
(Constant)	1.141	.245		4.660	p < .001
Audit Frequency	0.35	0.08	0.31	4.38	p < .001
Audit Comprehensiveness	0.42	0.09	0.36	4.67	p < .001
Follow-Up Actions	0.28	0.07	0.25	4.00	p < .001

Note: Dependent Variable: Effectiveness of HR Functions

Table 4 shows the regression results which indicate that audit frequency, audit comprehensiveness, and follow-up actions have a significant and positive influence on the effectiveness of HR functions.

This will depict the fact that organizations in Ludhiana are more probable to implement timely and effective corrective action based on audit findings in which all identified issues are addressed with their improvement. The results from all the variables are persistently high across Ludhiana. These imply that organizations in the Ludhiana district consider HR audit a crucial strategic instrument in augmenting effectiveness in HR functions, fulfilling governmental regulations, and in better aligning their HR activities with the set objectives in the organizations as a whole. Generally speaking, a considerable gap seems to have emerged between these two districts in HR auditing practice. Such variations might be due to differences in the industrial activities or perhaps greater number of larger organizations present within Ludhiana.

Table 5: Frequency Distribution

Challenges	District A (Ludhiana) Frequency (%)	District B (Fatehgarh Sahib) Frequency (%)	Combined Frequency (%)
Lack of skilled HR audit professionals	55%	50%	52.5%
Inadequate budget for audit functions	60%	65%	62.5%
Weak post-audit follow-up processes	70%	68%	69%
Limited use of technology in HR audits	40%	45%	42.5%
Poorly defined audit frameworks	50%	55%	52.5%
Resistance to audits from organizational staff	48%	52%	50%
Lack of alignment between audits and goals	65%	60%	62.5%

Table 5 shows the frequency distribution analysis of the responses based on the survey throws some key challenges in HR audit practices across Ludhiana (District A) and Fatehgarh Sahib (District B) that are common to the districts and district-specific ones. The most commonly faced challenge across both regions reported is the weak post-audit follow-up process, as seen in 70% responses from Ludhiana and 68% from Fatehgarh Sahib. This suggests that in both districts, the organizations are unable to apply or track corrective measures from HR audits, which creates

Higher requirements from regulatory compliance may also contribute. The low scores at Fatehgarh Sahib reflect a set of difficulties and issues such as inadequate resource, unawareness, and a weak framework at that district level for the conduction and action towards the HR audits. These results emphasize the need for specific interventions and capacity building in Fatehgarh Sahib so that the gap is filled between the two districts with regards to HR audit practices. Also, the findings of this paper shall be helpful for the policymakers and practitioners in building region-specific strategies for effectively promoting sustainable HR practices among varied industries.

Common Challenges in HR Audit Practices

The frequency distribution was used in analysing the data collected from both HR professionals and organizational owners in the two districts to identify the common challenges in HR audit practices. Below are the findings:

problems repeatedly and only limited improvement. The most widely reported problem is that of an inadequate budget for audit functions, as reported by 60% of respondents in Ludhiana and 65% in Fatehgarh Sahib. This suggests that financial constraints are a significant obstacle to effective HR audits, and this may limit the scope and depth of the audit process. Similar is the case with non-alignment of HR audits with organizational goals, with 65% respondents in Ludhiana and 60% in Fatehgarh Sahib responding in this regard, thereby suggesting that the audits

most of the time do not contribute to strategic priorities or bring meaningful organizational improvements.

The lack of skilled HR audit professionals was identified by 55% of respondents in Ludhiana and 50% in Fatehgarh Sahib, which indicates a shortage of the expertise required to conduct effective and thorough audits. The problem is further exacerbated by poorly defined audit frameworks, reported by 50% of respondents in Ludhiana and 55% in Fatehgarh Sahib. Both issues point to a need for better training and more clearly defined guidelines for standardizing HR audit practices. Resistance from organizational staff to audits is another challenge noted, with 48% of respondents in Ludhiana and 52% in Fatehgarh Sahib reporting this challenge. This may be due to the fear of increased accountability or changes in the way things have been done over time. Another moderate challenge remains the limited use of technology in HR audits, as 40% of respondents in Ludhiana and 45% in Fatehgarh Sahib reported this challenge. Underutilization of digital tools may be an opportunity for organizations to adopt more advanced technologies to streamline and improve the audit process.

In summary, the findings demonstrate that while Ludhiana and Fatehgarh Sahib share several common challenges such as weak follow-up processes, budget constraints, and misalignment with goals there are slight variations in the prevalence of specific issues. These insights can help guide region-specific strategies to address these challenges, improve HR audit practices, and foster more sustainable HR management systems.

Discussion

The empirical results point out the significant diversity in the practices of HR audits between districts of Ludhiana and Fatehgarh Sahib. The differences brought out show how geographic, industrial and organizational forces affect the approaches adopted and results obtained in HR audits. Ludhiana has more frequency, coverage, and after-audit actions as all the variables under study record higher mean scores. This suggests that organizations in Ludhiana perceive HR audits as strategically valuable, and they use them to make their HR practices more effective, ensure compliance with regulations, and align HR practices with other goals of the organization.

Industrial diversity and scale of operations in Ludhiana might also be a factor for more rigorous and systematic HR audit practices. On the other hand, the lower scores in Fatehgarh Sahib indicate gaps in the frequency and thoroughness of audits and the subsequent actions taken to address audit findings (31).

These challenges may be due to limited resources, lower organizational awareness, or weaker institutional frameworks for HR audits in this district. The findings from the ANOVA analysis provide solid statistical evidence that supports these gaps and necessitate the closing of such gaps so that HR practices may be evenly effective across both districts. The common issues identified include weak frameworks of audit and uneven follow-ups after audits, which are essentially systemic issues that cut across districts (32). The two districts, however different in practice, will still face a challenge in having better mechanisms to translate audit findings into improvements. These issues point to the deeper need for capacity building and resource allocation and stronger regulatory frameworks to support HR audit as a strategic function.

Conclusion

This study gives an overall comparative study of the practices in HR audits between Ludhiana and Fatehgarh Sahib, exposing important differences in audit frequency, completeness, and follow-up measures. The findings indicate that, as a diversified industrial centre, Ludhiana has stronger HR audit practices that mirror greater efforts in structured assessment and matching HR functions with organizational and district goals. However, Fatehgarh Sahib is behind in these parameters and thus requires targeted interventions to make HR audits more effective. However, despite these differences, both districts share common problems such as weak audit frameworks and inconsistent follow-up processes, which are limiting the strategic impact of HR audits. The findings of this study underpin the crucial role of region-specific strategies in overcoming these challenges and ensuring sustainable HR practices.

For Ludhiana, it would be a fine-tuning of the existing systems to ensure consistency and impact. For Fatehgarh Sahib, it would require investments in capacity building, awareness programs, and

resource optimization to establish stronger audit mechanisms. By addressing these disparities and common challenges, organizations in both districts can unlock the full potential of HR audits as a strategic tool for improving compliance, resource utilization, and overall HR effectiveness. In conclusion, this research offers crucial knowledge to the HR audits literature by pointing out ways that geographic and industrial diversity impact on practices. The finding from this study can be utilized by policymakers, industry leaders and researchers to develop tailored approaches aimed at enhancing HR audit effectiveness and promoting sustainable region-specific HR practices across the board. The differences would be explored more deeply to consider the socio-economic and organizational factors driving such differences, thereby possibly identifying scalable best practices to be applied elsewhere.

The findings of the study have a number of practical and theoretical implications. At the policy level, they underscore the need for region-specific strategies to enhance HR audit practices. Policymakers and industry leaders in Fatehgarh Sahib should focus on investments in training, technology, and institutional capacity to improve the frequency and quality of HR audits. For Ludhiana, opportunities include perfecting best practice processes that need improvement regarding areas like follow-up procedures and having standardization for an audit framework. From an organizational point of view, the study emphasizes the strategic importance of HR audits in enhancing HR functions. Both districts should work on building a stronger audit system with clear frameworks, effective implementation, and follow-up mechanisms to ensure the identified gaps are addressed. This will lead to better compliance, optimized resource utilization, and proper alignment of HR practices with the organizational goals. This research contributes to the growing literature on HR audits through empirical evidence of regional and industrial differences in audit practices. It opens avenues for further research to explore the underlying factors driving these differences and to identify best practices that can be adapted across diverse industrial and geographic contexts. In conclusion, a cross-district analysis is, therefore, concluded to provide specific actionable insights regarding improving HR audit practices in the districts of

Ludhiana and Fatehgarh Sahib. Addressing the disparities and challenges identified from this study would not only strengthen HR functions within these districts but it would also help in guiding other regions interested in offering sustainable and effective HR functions across industries.

Limitations and Scope for Further Research

This study, though providing fruitful insights into the practices prevailing in HR audit across districts of Ludhiana and Fatehgarh Sahib, has its drawbacks. The focus of this study is only on two districts, thus limiting its generalisation to different regions or countries with entirely different industrial and socio-economic circumstances. The geographic scope of studies in the future may be able to provide a wider perspective with regard to regional variations. The data gathered is based on self-reported responses from HR professionals and organizational owners, which might include biases such as social desirability or subjective interpretation of HR audit effectiveness. Future studies could integrate objective measures, such as organizational performance metrics or external audit reports, to make the findings more reliable.

Lastly, the study is basically composed of quantitative methods, including ANOVA, frequency distribution, and correlation analysis. These methods, although useful in identifying patterns and statistical significance, cannot reflect the qualitative nuances of HR audit practices, such as the underlying reasons for observed differences or the contextual challenges faced by organizations. Further research may use a mixed-methods approach, incorporating both quantitative analysis and qualitative techniques, such as interviews or case studies, to provide deeper insights into factors influencing HR audit practices. In addition, the study focuses on a limited set of variables, including audit frequency, comprehensiveness, and follow-up actions. Other factors like organizational size, leadership style, regulatory pressures, and technological adoption can also play a significant role in determining HR audit practices. An extension of the scope to include these variables can provide a more holistic view of the factors driving effective HR audits. Finally, the study does not measure the long-term effect of HR audits on organizational outcomes, including

employee satisfaction, productivity, or financial performance. Further research may attempt to study the causal link between HR audits and such outcomes in order to provide a more holistic view of their strategic value. In conclusion, although this study provides critical insights into cross-district HR audit practices, its limitations highlight several opportunities for further research. Addressing these gaps will allow future studies to contribute to a more nuanced understanding of HR audits and their role in fostering sustainable and effective HR practices across diverse regions and industries.

Abbreviations

HR: Human Resource audit, SMEs: Small and medium enterprises.

Acknowledgement

The authors would like to express their sincere gratitude to all the participating SMEs and respondents for their valuable time and insights.

Author Contributions

Gargi Malhotra: conceptualization, methodology, data collection, analysis, writing – original draft, Mridula Mishra: review and editing, validation.

Conflict of Interest

The authors affirm the absence of any identified conflicts of interest associated with this publication and emphasize that there has been no considerable financial support for this work that might have affected its outcomes.

Data Availability

The data supporting the findings of this study are available from the corresponding author upon reasonable request.

Declaration of Artificial Intelligence (AI) Assistance

The authors declare no use of artificial intelligence (AI) for the write-up of the manuscript.

Ethics Approval

Not applicable.

Funding

This research did not receive any specific grant from funding agencies in the public, commercial, or not-for-profit sectors.

References

1. Albrecht SL, Bakker AB, Gruman JA, *et al.* Employee engagement, human resource management practices and competitive advantage: An integrated approach. *Journal of Organizational Effectiveness: People and Performance*. 2015;2(1):7-35. <https://doi.org/10.1108/JOEPP-08-2014-0042>
2. Elias A, Sanders K, Hu J. The sustainable human resource practices and employee outcomes link: An HR process lens. *Sustainability*. 2023;15(13):10124. <https://doi.org/10.3390/su151310124>
3. Anand J, McDermott G, Mudambi R, *et al.* Innovation in and from emerging economies: New insights and lessons for international business research. *Journal of International Business Studies*. 2021;52(4):545-59. <https://doi.org/10.1057/s41267-021-00426-1>
4. Jackson SE, Schuler RS, Jiang K. An aspirational framework for strategic human resource management. *The Academy of Management Annals*. 2014;8(1):1-56. doi: 10.1080/19416520.2014.872335
5. Becker B. High performance work systems and firm performance: A synthesis of research and managerial implications. *Research in Personnel and Human Resources Management*. 1998;16:53. ISBN: 0-7623-0368-9
6. Rani N, Singla J. Auditing human resource functions & competencies: An empirical study. *Indian Journal of Industrial Relations*. 2015;51(1):109-20. <https://www.jstor.org/stable/43974542>
7. Habib A. A meta-analysis of the determinants of modified audit opinion decisions. *Managerial Auditing Journal*. 2013;28(3):184-216. <http://doi.org/10.1108/02686901311304349>
8. Mustafa ST, Ben Youssef N. Audit committee financial expertise and misappropriation of assets. *Managerial Auditing Journal*. 2010;25(3):208-25. <http://doi.org/10.1108/02686901011026323>
9. Kamal Hassan M. A disclosure index to measure the extent of corporate governance reporting by UAE listed corporations. *Journal of Financial Reporting and Accounting*. 2012;10(1):4-33. <http://doi.org/10.1108/19852511211237426>
10. Lee Cooke F, Xiao Y. Gender roles and organizational HR practices: The case of women's careers in accountancy and consultancy firms in China. *Human Resource Management*. 2014;53(1):23-44. <http://doi.org/10.1002/hrm.21566>
11. Raza SA, Khan KA. Impact of green human resource practices on hotel environmental performance: the moderating effect of environmental knowledge and individual green values. *International Journal of Contemporary Hospitality Management*. 2022;34(6):2154-75. <http://doi.org/10.1108/ijchm-05-2021-0553>
12. Mahmood A, Akhtar MN, Talat U, *et al.* Specific HR practices and employee commitment: The mediating role of job satisfaction. *Employee Relations: The International Journal*. 2019;41(3):420-35. <http://doi.org/10.1108/ER-03-2018-0074>
13. Parker LD, Jacobs K, Schmitz J. New public management and the rise of public sector performance audit: Evidence from the Australian case. *Accounting, Auditing & Accountability Journal*.

- 2019;32(1):280-306.
<http://doi.org/10.1108/AAAJ-06-2017-2964>
14. Krishna K, Mousumi M, Vasanth K. Innovative HR Strategies for SMEs. *IOSR Journal of Business and Management (IOSRJBM)*. 2012;2(6):1-8. <http://doi.org/10.9790/487X-0260108>
 15. Edelia A, Aslami N. The role of empowerment of the cooperative and MSME office in the development of small and medium micro enterprises in Medan City. *MARGINAL: Journal of Management, Accounting, General Finance And International Economic Issues*. 2022;1(3):31-6. <https://ojs.transpublika.com/index.php/MARGINAL/article/download/163/148>
 16. L'Écuyer F, Raymond L, Fabi B, *et al.* Strategic alignment of IT and human resources management in manufacturing SMEs: Empirical test of a mediation model. *Employee Relations: The International Journal*. 2019;41(5):830-50. <http://doi.org/10.1108/er-09-2018-0258>
 17. Stokes P, Liu Y, Smith S, *et al.* Managing talent across advanced and emerging economies: HR issues and challenges in a Sino-German strategic collaboration. *The International Journal of Human Resource Management*. 2016;27(20):2310-38. <http://doi.org/10.1080/09585192.2015.1074090>
 18. Tarek M, Mohamed EK, Hussain MM, *et al.* The implication of information technology on the audit profession in developing country: Extent of use and perceived importance. *International Journal of Accounting & Information Management*. 2017;25(2):237-55. <http://doi.org/10.1108/IJAIM-03-2016-0022>
 19. Noutsu FA, Fosso WS, Kala KJR. Exploring factors affecting the adoption of HRIS in SMEs in a developing country: Evidence from Cameroon. *ICT for a Better Life and a Better World: The Impact of Information and Communication Technologies on Organizations and Society*. Cham: Springer. 2019:281-95. http://doi.org/10.1007/978-3-030-10737-6_18
 20. Bissola R, Imperatori B. Facing e-HRM: The consequences on employee attitude towards the organisation and the HR department in Italian SMEs. *European Journal of International Management*. 2013;7(4):450-68. <http://doi.org/10.1504/EJIM.2013.055282>
 21. Woodward L, Tan LM. Small business owners' attitudes toward GST compliance: A preliminary study. *Australian Tax Forum*. 2015;30(3):517-49. <http://doi.org/10.2139/ssrn.2666317>
 22. Hassan NA, Mohamad Zailani SH, Hasan HA. Integrated internal audit in management system: A comparative study of manufacturing firms in Malaysia. *The TQM journal*. 2020;32(1):110-26. <http://doi.org/10.1108/tqm-03-2019-0077>
 23. Gude WT, Roos-Blom MJ, Van DVSN, *et al.* Facilitating action planning within audit and feedback interventions: A mixed-methods process evaluation of an action implementation toolbox in intensive care. *Implementation Science*. 2019;14(1):90. <http://doi.org/10.1186/s13012-019-0937-8>
 24. Lenz R, Hoos F. The future role of the internal audit function: Assure. Build. Consult. *EDPACS*. 2023;67(3):39-52. <http://doi.org/10.1080/07366981.2023.2165361>
 25. Abass ZK, Flayyih HH, Hasan SI. The relationship between audit services and non-audit actuarial services in the auditor's report. *International Journal of Professional Business Review*. 2022;7(2):16. <http://doi.org/10.26668/businessreview/2022.v7i2.455>
 26. Grant K, Garavan T, Mackie R. Coaction interrupted: Logic contestations in the implementation of inter-organisational collaboration around talent management in the public sector in Scotland. *European Management Review*. 2020;17(4):915-30. <http://doi.org/10.1111/emre.12404>
 27. Ayoko OB. SMEs, innovation and human resource management. *Journal of Management & Organization*. 2021;27(1):1-5. <https://doi.org/10.1017/jmo.2021.8>
 28. Bieliaieva N. Development of the human resource audit system elements based on international experience. *Economics Ecology Socium*. 2019;3(4):28-34. doi: 10.31520/2616-7107/2019.3.4-4
 29. Singh A, Singh S. Relevance of human resource management strategies to meet challenges of recent business scenario: A review of Indian MSME. *EPRA International Journal of Economic and Business Review (JEER)*. 2023;11(2):36-42. doi: 10.36713/epra12523
 30. Shaban O. Auditing human resources as a method to evaluate the efficiency of human resources functions and to control quality check on HR activities. *International Business Research*. 2012;5(3):122. doi: 10.5539/ibr.v5n3p122
 31. Rao TV. *HRD Audit: Rejuvenating HR Function for Business Excellence*. Routledge India; 2024 Oct 22. <https://doi.org/10.4324/9781003530534>
 32. Van Wingerden J, Derks D, Bakker AB. The impact of personal resources and job crafting interventions on work engagement and performance. *Human Resource Management*. 2017 Jan;56(1):51-67. <https://doi.org/10.1002/hrm.21758>

How to Cite: Malhotra G, Mishra M. Cross-district Comparative Analysis of HR Audit Practices across Industries: Insights and Challenges. *Int Res J Multidiscip Scope*. 2026; 7(2): 166-175.
 DOI: 10.47857/irjms.2026.v07i02.08499