

Manpower/ HR Audit General Note

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A. The Concept and Advantages of Manpower/ HR Audit

1. **The Concept.** Manpower Audit (or sometimes it is called HR Audit, Staff Inspection, Staff Reviews, or Job Inspections) is:

An independent audit/examination of the work being done and relating this to 4 basic factors –

- a. Challenging the Need for the Work or duties being done;
 - b. The organisational structure of the area concerned;
 - c. The number of staff needed to do that work; and
 - d. The rank or grading of the individual undertaking the work.
2. **Challenging the Need:** This aspect looks at whether the work or duties being done are really needed now- and if tasks that are not needed are being done.
 3. **Considering the Organisational Structures.** Here the organisations are analysed to make sure that the organisation is fit for purpose – looking at levels of management and spans of control
 4. **Numbers of Staff and work loading.** This is done to ensure that the right number of staff is being used –not more than is needed. It examines the amount of work being undertaken.
 5. **Grading or Ranking...** Here the rank level or grading of the post holders are considered to make sure that they are of the right grade or rank
 6. These 4 major aspects of Manpower Audit are covered more fully below. The information in most areas in this note is drawn from UK Government sources.

7. **The main advantages of MA** are to ensure the correct numbers and grade levels are used. Normally, the first time an MA is undertaken savings in the order of 10% can be made.

The Basic Principles

8. The **KEY** Concept of Manpower Audit is that it is an audit of the **JOB** and not the **PERSON** doing it.
9. The jobs concerned must be clearly identified, defined, and designated and a relevant MA methodology should be used, having been tested with appropriate pilot trialling before general introduction.
10. There should be a clearly defined grading/ranking system in place
11. For the Grading aspects, a practical Job Evaluation (JE) methodology should be used – normally either Job Classification using ‘grading guidance’ –this being based on a number of representative ‘Benchmark jobs’ which should be identified and evaluated first. Or alternatively another Job Evaluation method such as a Point Factor Rating (PFR) scheme.
12. Those doing the MA (the Manpower Auditors and the MA Reviewing Committee) must have a satisfactory understanding of the jobs they are auditing.
13. The MA is about the jobs and not the individuals doing it and the job is audited as if it is being done in a fully competent and acceptable manner.
14. MA is based on objective judgements and if correctly done it can enable objective judgements to be made. It is possible to make judgements concerning one job’s contribution relative to other jobs.
15. When considering jobs undertaking similar tasks, it may be possible to use a sample to grade them. However in these cases, the samples must be representative of the whole group.
16. Decisions should be made at the start as to how the results will be communicated and what appeals machinery will exist. These decisions will be taken at the appropriate top level committees

17. Accurate and standardised Job Description and analysis forms/records/documentation/reporting should be introduced and kept.
18. Staff and Public relations policies should be determined at the outset.
19. Level of Manpower Auditors. The MAs should be [of the same rank]/senior/ up to 2 ranks junior?] to the officer being audited.
20. MAs normally work in teams of two.
21. MA can be used for the whole organisation – normally on a cyclical basis – say auditing every post every 4 years; or it can be used selectively – e.g. when requests for extra staff are being made,

The Normal Processes and Stages

22. **The normal MA processes and stages:** These are to:

- a. Decide on the MA policies;
- b. Decide on jobs to be audited.
- c. Select and train the staff;
- d. Select and evaluate the Benchmark jobs;
- e. Plan the audits
- f. Collect the data/documentation
- g. Audit the jobs concerned
- h. Agree (if possible) the MA report
- i. Pass to MA committee for decisions
- j. Implementation of approved results
- k. Analyse and monitor the results.

- see further details in Part 3

B. MA Policies, Organisation and Procedures

MA Policies

1. The MA policies are set out below [appropriate approvals and regulations etc obtained/passed- give relevant detail if required]. These will be developed and amended as the programme proceeds.
2. **The scope of the MA programme** The MA programme will involve all grades and staff in the Public Service/ Organisation concerned. It is proposed to Manpower audit all staff with
3. **Sampling/Desk Evaluations.** If a large number of staff is undertaking similar work – eg teachers, police officers, clerks etc. then a sampling approach may be used. But the samples must be representative. Professional advice from the Chief Statistician should be sought on the sampling proposed. There might be scope for ‘desk audits’. These involve the Manpower Auditors undertaking an MA on the basis of written evidence alone – the Job Description and Analysis form plus other documentation. This may be done if the posts are very repetitive and with a large number of similar grades... It must be done with care and some sample interviews.
4. **Benchmarking.** The roles of the Benchmark jobs is critical therefore at least two jobs should be selected from each grade (except where there is only one person in that grade) and interviewed. Depending on the numbers in each grade and the total numbers to be interviewed, around 15% or so of the jobs in a grade should be benchmarked. - These jobs are representatives that allow standards to be established and revised and used as the comparators for similar jobs at that grade level. They are the key jobs in the various levels/areas of work/organisations and act as reference points or datums for other jobs. The criteria for their selection include:
 - a. Representing the entire range of jobs relating to the benchmark job
 - b. Being well recognised by and familiar to the MAs and MA Committees and stand out reasonably well.
 - c. Being reasonably fixed and unlikely to be subject to fluctuations.
 - d. Having clearly obvious skills/knowledge/responsibilities etc.
 - e. Being able to be used as external comparators for compensation purposes

5. **Job Evaluation system.** The Management concerned has to decide on the Job Classification and Evaluation systems –using grading guidance and bench mark jobs] or [a Points Factor Rating (PFR) system for the JE Programme. A typical PFR Scheme uses the following 6 Factors: Knowledge and Skills; Responsibility; Decision making; Complexity; Contacts and Creative Work. These factors are given weightings as appropriate and have Factor Definitions to assist the JE scoring
6. **Avoidance of detrimental effects to staff.** The policy of the Government or organisation has to decide if there will be no detrimental effects to existing staff due to this MA Programme. E.g. no staff will be made redundant as a result of the MA Programme. Staff will remain at least at their current grade levels and at the current pay rates. If staff members are found to be at the wrong levels they will be upgraded if their post warrants a higher grade' if their posts are at a lower level –they will either be transferred to an appropriate grade –or if not will remain at their current level on a mark time bases. **[PLEASE check this carefully it is an HR policy issue!!]**
7. **Staff involvement and consultation.** There should be comprehensive staff involvement and briefings from the start of the MA programme and at each major stage. This includes media coverage, radio; television; staff meetings –both general ones and individual ones with each ministry/organisation before the MA interviews start. Information should be provided on MA, what to expect, its benefits, when and how the announcements of the results will be made and the Appeals system **[if it is decided to have an appeals system]**
8. **Interviewing and MA decisions:** The MA interviews will be undertaken by Manpower Auditor. [it has to be decided if they will be senior, equal rank or junior to the interviewee] The interviewers will work in teams of pairs. One team member will be from the Ministry/area/professional group concerned. The other team member will be from PSD [?] or another Ministry to give an independent view. After the MA interviews, the MAs will make recommendations on the MA aspects to the relevant MA Committees [?]. These Committees will take the decision on the MA findings.
9. **Appeals and the Appeals System [?];** The MA programme will include an appeal system. The grounds for appeal will be if an interviewee considers that he/she has not had a fair hearing; if the correct MA procedures were not followed and if other staff with similar jobs is given a different score/ranking. The officer concerned can appeal, through their line managers and Permanent Secretaries to the Appeal Committee (see paragraph 6.4 below). Any appeals must be forwarded to the Appeals Committee for

hearing if they meet the required criteria. This criterion is that: the correct MA procedures were not followed; the MA was improperly done; information was misinterpreted, there was bad record keeping or there is evidence of bias; the requirements of natural justice were not followed and that other similar jobs have been scored/ranked differently. If the Appeals Committee upholds the appeal, then the officer concerned is re-audited by a second, different set of MAs and a different MA committee. If after this the officer is not satisfied, the case is referred to the senior level for final decision

MA Organisation

10. The MA Organisation normally has a number of major stakeholders; these are:

- a. MA Steering Committee,
- b. Ministry MA Committee,
- c. MA Project Director,
- d. MA Project Team,
- e. MA Team Leaders, and
- f. MAs.

11. Their roles and Terms of Reference of these have to be agreed and promulgated.

MA Procedures and Documentation

12. **Procedures.** The procedure for undertaking MA will normally be:

- a. For the MA Committee to approve the MA Programme;
- b. The MA Project Director and the MA Team Leader will have briefing meetings with the Permanent Secretary and senior staff of the Ministry concerned ;
- c. The MA Project Director and Permanent Secretary there will then hold an open meetings with all staff to explain the MA procedures etc to them;
- d. The MA Interviews will take place with teams of two MAs undertaking them .They will record their findings in an appropriate format
- e. The MA team will discuss their draft Report /findings with the line management in the Ministry and try to get agreed recommendations.
Noting any disagreements in their report

- f. The MA team will pass their Report to the MA committee
- g. The MA committee will consider these findings and make decisions on the posts concerned and will be sent to the HR Departments for scrutiny and designation of the appropriate grading.
- h. The Permanent Secretary will inform the officers concerned of their grading.

13. Documentation- Job Description and Analysis (JDA) Forms. All staff will be required to complete the combined Job Description and Analysis (JDA) Forms. These are to be sent to the MA unit by through the officer's line manger. They will be given to the MA teams for the MA interviews as required.

MA Documentation – Records. It is important to use standardised documentation to record the MA interviews and discussions etc. and for summary reports of the MA exercises in each ministry.

Manpower Audit: The Overall Process

1. TOP MANAGEMENT Sets the MA programme of units to be audited
2. HEAD OF THE MA UNIT Assigns team and sets timetable
3. MA TEAM PREPARATION Obtains key information from Unit Manager
Sends Job Description and Analysis (JDA)Forms and Terms of Reference to Unit
Has initial meeting with Unit Manager(s)
4. HEAD OF UNIT Informs Staff [and Trade Unions]
Distributes JDA forms and returns to MA team
5. MA TEAM FIELDWORK Interviews local managers, then audits staff members- bottom up order
Interviews, observation, gather further Information. Produce initial finding Debriefs to local mangers. Seeks Agreement.
6. MA TEAM ANALYSE FINDINGS Consider local manager's views, review findings finalise and produce draft Report and discuss with Head of Unit. Seek agreement, produce final report explaining any disagreements
7. HEAD OF UNIT Informs local managers and staff.
[Trade Unions] of agreed recommendations.
Implements agreed recommendations.