

MANPOWER AUDIT PROGRAMME BACKGROUND NOTE

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1. INTRODUCTION

1.1 Manpower is one of the largest costs for organisations, in the public and private sector –including Small and Medium sized Enterprises (SMEs). Manpower Audit is a methodology that can help to ensure that staff numbers are appropriate and to help 'right size' organisations and focus on necessary work and correctly job evaluate/grade (or rank) staff.

1.2. MA can be undertaken by an organisation's own specially selected staff – once they have been given the right training and the appropriate procedures are in place. This MA Programme sets out a training programme and a suggested pilot trial to test and validate the approach in organisations concerned. MA can be adapted to meet local needs and practices. The HR aspects of Manpower Audit are set out in section 4 below.

2. THE MANPOWER AUDIT CONCEPT

2.1. 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 (NONG) factors which are:

1. Challenging the Need for the Work or duties being done: (N)
2. The organisational structure of the area concerned; (O)

3. The number of staff needed to do that work; (N) and
4. The rank or grading of the individual undertaking the work (G)

In addition, Manpower Audits can uncover problems or challenges within the organisation and bring these to the attention of senior management.

THE FOUR BASIC ‘NONG ‘FACTORS AND THE BENEFITS

- 2.2. **N. Challenging the Need:** This aspect looks at whether the work or duties being done are really needed now- and how they relate to one or more of the company's objectives and success.
- 2.3. **O. Considering the Organisational Structures.** Here the companies are analysed to ensure that the organisation is fit for purpose – looking at levels of management and spans of control. The aim being to have as flat an organisation as possible to improve efficiency.
- 2.4. **N. 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, by the use of work measurement and any performance measures or indicators available.
- 2.5. **G. Grading or Ranking.** Here the rank /level or grading of the post holders are considered to make sure that they are of the right level, grade or rank. Some form of relevant Job Evaluation methodology is used.
- 2.6. 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.
- 2.7. **The Benefits of MA** are to ensure the appropriate task are undertaken, the proper organisational structures are in place and the correct numbers and grade levels are used. MA is a relevant methodology to use to ensure that any Manpower Planning is based on a sound factual foundation. It also can identify possible problems in general. These aspects will lead to greater productivity and better competitiveness.

MA PRINCIPLES

- 2.8. The **KEY** Concept of Manpower Audit is that it is an audit of the **JOB** and not the **PERSON** doing it. The Auditors are **NOT** concerned with the performance of the interviewees- this is the task if the line management and the HR department.
- 2.9. The jobs concerned must be clearly identified, defined, and designated and a relevant MA methodology should be used, having been tested with appropriate pilot trials before general introduction.

2.10. There should be a clearly defined Job Evaluation/grading/ranking system in place if possible. If not, the Manpower Auditors can assist in creating one.

2.11. 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 Point Factor Rating Scheme

2.12. Those doing the Manpower Auditing (MAs) must have a satisfactory understanding of the jobs they are auditing. Thus, they need full briefing and factual background information on the company and jobs being audited

2.13. MA is based on objective methodology and if correctly done it can enable objective judgments to be made. It is possible to make judgments concerning one job’s contribution relative to other jobs.

2.14. 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.

2.15. The decisions concerning the implementation of any MA recommendations will be taken by the appropriate top-level management.

2.16. Accurate and standardised Job Description and Analysis forms/records/documentation/reporting should be introduced and kept.

3. THE MANPOWER AUDIT PROGRAMME (MAP)

3.1 The MAP usually consists of:

- a. A 3-day training course (see 3.1 below):
- b. The provision of procedures, documentation and advice on Job Evaluation
- c. Extensive MA interviewing practice.
- d. Constant mentoring and coaching
- e. The conduct and evaluation of Pilot trials in a company or department chosen by the clients. (see 4 below)

3.1 The 3-day training programme :

Day 1:

Introductions: Objectives and approaches:
Setting the scene – Challenges; PESTLE; The Blockage questionnaire.
An overview of Manpower Audit; Relationship with Manpower Planning.
The MA Cycle and Stages.
Planning for the first client meeting.
Factfinding.
Homework: Case study.
Complete Personal Job Description and analysis (JDA) Form.

Day 2:

Review Day 1.
Manpower Audit – the 4 NONG Elements.
Interviewing: Role playing practices. (using JDA forms)
MA and Project planning.
Homework: Prepare for further practice interviews.

Day 3.

Review Day2.
Review initial client meeting. Terms of Reference.
Prepare for the Pilot trial interviews – role playing with The
Manager/CEO and Staff members.
Conduct pilot trial Manager/CEO interview.
Review Day 3.
Homework: Prepare for pilot trial interviews.
[Note: the pilot trial organisation will have been asked to prepare JDA
forms for staff to be interviewed].

Day 4 /5

The Pilot trials. Conduct; then evaluation.
Review the programme: Evaluation. The Way Ahead.

Note : This programme can me modified to meet local client needs.

4. THE PILOT TRIALS

GENERAL

4.1. The Pilot Trial is a vital part of this programme as it enables the Manpower Audit methodology to be used in practice to see if it is applicable to the client's areas. Any lessons learned will inform future use of the MA methodology.

4.2. As this is a trial, any recommendations are theoretical only. This has been made clear, see section 4 - HR Aspects, below.

THE PILOT TRIAL PROCESS

4.3. This is as follows:

- a. The training course client obtains the agreement of part of the Department, if in the public sector: or an SME, if in the private sector, to participate. The client organisation team has a meeting with the Pilot Trial CEO etc. to discuss the trial, its involvement, the procedures and documentation (see below). The choice of volunteer interviewees and typical representative jobs (possible 'benchmarking jobs')
- d. The CEO selects a suitable number of staff members to participate in the trial as interviewees.
- e. The client team sends the pilot trial CEO the JDA forms and the briefing note to be sent to the interviewees for completion. The CEO sends to the client team relevant information. The client team then studies the company information provided and agrees the interview programme with the CEO etc.
- f. CEO attends the. MA workshop to participate in a trial ' first client ' interview.
- i. The client delegates/ auditors conduct the pilot trial interviews, working in pairs. They will work as follows:
 1. first have a briefing meeting with the interviewee's line manager or supervisor to get an overview of the work of the area.
 2. They then interview the staff member.
 3. Following this they consider their findings and discuss these with the relevant line manager / supervisor and seek to gain agreement to their recommendations. They note the views of the line manager/ supervisor for their report.
- j. Once the interviews have been completed, the client delegate auditors meet together to discuss their findings and produce a first draft report. This is then discussed with the CEO. Agreement is sought, if not views are noted.

- k. The CEO and other staff members meet with the client team and discuss the pilot trial and the methodology.

5. MANPOWER AUDIT- H R ASPECTS.

5.1. It is very important to explain clearly to the staff the purpose and methods of this pilot trial manpower audit, in particular that:

- a. This is a pilot trial only to test the methodology.
- b. Manpower Audit aims to improve the efficiency and effectiveness of the company by helping it to concentrate on the right tasks, have an appropriate organisation, the right numbers if staff at the right levels. This aids the company's competitiveness.
- c. Manpower audit is part of the wider Manpower planning procedure.
- d. Manpower Audit helps staff to be at the right level.
- e. Manpower Audit is not about downsizing or cost cutting. It aims for RIGHT SIZING and to improve the efficiency of the organisation and the correct grading and numbers of staff.
- f. The Manpower auditors can only recommend, they make no decisions, these are for the line managers
- f. It is THE JOB THAT IS BEING AUDITED NOT THE PERSON. Line Management and HR are responsible for the personal effectiveness of staff.
- g. The HR department and relevant managers are consulted and involved
- h. If MA is adopted, that there will be consultation and appropriate HR policies in place to deal fairly with any changes as a result of MA recommendations.

6. WHO SHOULD ATTEND THIS MA PROGRAMME?

- 6.1 Those who would benefit from this programme are:
- a. HR or other staff involved in workforce or HR planning or administering the HR functions.
 - b. Consultants who wish to extend their skills base.
 - c. Staff involved in change, restructuring or rightsizing organisations.
 - d. Senior staff responsible for ensuring efficiency, reforms or change programmes.