

# National Advisory Standards for the Professional Practice of HR in Australian Universities

## ***Standard: 4.0***

### ***Activity Area: Attraction and Selection***

The Standard, and any self-assessment or audit process, facilitates an integrated approach to the achievement of a University's strategic, attraction and selection goals.

For the purposes of this Advisory Standard:

Attraction is the process of developing a recruitment strategy that draws attention to the University as a potential employer of choice.

Recruitment is searching for and obtaining potential job candidates in sufficient numbers and quality so that the organisation can select the most appropriate people to fill its job needs. (Dowling and Schuler, 1990).

Selection is the process of gathering information, assessing applicant suitability and making decisions about applicant appointability for positions within the University (in relation to the selection criteria and outcomes required for the position).



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## 1 Definition of a Standard

- 1.1 A standard is an agreed specification or other criterion used as a rule, guideline, or definition of a level of performance or achievement (AUQA, n.d).
- 1.2 A Standard, according to Standards Australia (2008) *provides, for common and repeated use, rules, guidelines or characteristics for activities or their results, aimed at the achievement of the optimum degree of order in a given context.*

## 2 Preface/Rationale

- 2.1 This Standard has been developed within a Workplace Productivity Programme (WPP) funded project with the premise that the project would support the professional practice of human resources in Australian Universities, and directly impact on the sector's capability to describe and assess better HR practice.
- 2.2 The purpose of this standard is as a national advisory standard for Australian universities. The Standard addresses quality practice in Attraction, Recruitment and Selection. The Standard, and any self-assessment or audit process, facilitates an integrated approach to the achievement of a University's strategic, attraction and selection goals. They identify opportunities for improvement and to implement strategies for their achievement.
- 2.3 A standard is an agreed, repeatable way of undertaking an activity. It is a published document that contains a specification or other criteria designed to be used consistently as a rule, guideline, or definition. Standards help to increase the reliability and the effectiveness of HR activities, and assist in their evaluation or measurement. This HR Standard is designed for voluntary use and does not impose regulation (British Standards Institution, n.d.). The application of the Standard is at the prerogative of each University.
- 2.4 This HR Standard will establish the basis for "what we could expect to see in a University HR activity" for the purposes of quality assessment, performance examination, a demonstration of better human resource practice and for demonstrating to stakeholders that value for money is being achieved. It can also be used for comparative benchmarking purposes.



- 2.5 This Standard:
  - 2.5.1 has been developed using subject matter experts
  - 2.5.2 is practical, not rhetorical
  - 2.5.3 has its foundation within the current literature
  - 2.5.4 draws on the UK experience in similar areas (HEFCE, 2005)
  - 2.5.5 incorporates internal consistency
  - 2.5.6 is outcome focused
  - 2.5.7 should be comprehensible to users who have not participated in its preparation.
  
- 2.6 The Standard should be used as a tool to improve the management and activity of attraction, recruitment and selection in a University environment, and is designed to be outcome focused. It is not intended to be used as a mandated checklist but rather it can be adapted to different HR environments. It allows each university to modify the final national standard, where necessary, to cater for organisational diversity and to reflect their operating environment.
  
- 2.7 The Standard describes *evidence requirements* which indicate the type of objective evidence that an auditor/examiner could expect to find to demonstrate that a criterion is being addressed. The extent of evidence provided should be commensurate with the issue being managed and the strategy being used. (Natural Resources Commission, 2005)



- 2.8 The Standard is applicable to any Australian University that wishes to:
- 2.8.1 Develop and implement attraction and selection strategies in an efficient, effective and economic manner
  - 2.8.2 Address consistency and comparability with other Universities
  - 2.8.3 Assure itself that it is using quality processes
  - 2.8.4 Demonstrate such conformance to others, or
  - 2.8.5 Make a self-assessment of conformance with the Standard.
- 2.9 The structure of a Standard relies on the following framework (Victorian Auditor-General, 2008; Auditor-General of Queensland, 2007; and HEFCE, 2005):
- 2.9.1 **Inputs:** the human, physical and financial resources used and the time required to produce the outputs. Inputs are what the process or activity uses.
  - 2.9.2 **Processes:** the activities that generate the products and services that constitute the outputs; the actions or processes applied to convert resources into a product or service.
  - 2.9.3 **Outputs:** the deliverables – goods and services – produced to achieve the outcomes being sought.
  - 2.9.4 **Outcomes:** the results or consequences of the actions or outputs. Outcomes may be short, intermediate or long term.
  - 2.9.5 **Risks:** “...the possibility of something happening that impacts on organisational objectives” (AS/NZS 4360:2004)

For each proposed standard, an ‘Internal Consistency’ check has been undertaken to identify that:

- a. each Outcome is supported by an Output
- b. each Output has a supporting Process or Input (or both)
- c. Inputs and Processes are linked to Outputs.



### 3 Objectives of this Standard

#### Strategic Objectives:

- (i) To ensure the consistent application of better practice, process and procedures in attraction and selection
- (ii) To ensure that recruitment procedures provide for fair, objective and equitable treatment for applicants
- (iii) To reduce voluntary staff turnover and minimise its associated costs
- (iv) To ensure recruitment and attraction strategies are congruent with strategic and workforce plans
- (v) To focus attraction and selection processes on optimizing the success of identifying the "right" candidate.

#### Operational Objectives:

- (iv) To focus investment (time, finances, resources and priority) on attraction and selection activities that are efficient and economical
- (v) To have the right skills, experience, competencies and knowledge, in the right place, at the right time and at the right price.
- (vi) To observe University compliance requirements which apply to the recruitment process. For example, enterprise agreements, any specific equal opportunity or anti-discrimination legislation



## 4 Inputs Criteria

**Inputs:** the human, physical and financial resources used and the time required to produce the outputs. Inputs are what the process or activity uses.

	<b>Inputs Criteria</b>	<b>Sources of evidence</b> Where to review the application of the particular criterion	<b>Indicators of success</b> The range of performance which demonstrates good HR practice	
IP 1	The organisation has a clear and realistic value proposition and/or branding strategy which is communicated in all relevant publications and media	<ul style="list-style-type: none"> <li>&gt; * Identify the value proposition and/or branding strategy</li> <li>* Identify actions to communicate this</li> <li>* The university has a comprehensive career/recruitment web page which communicates the University's ethos, mission and values, and the value proposition it offers to prospective employees</li> </ul>	<ul style="list-style-type: none"> <li>&gt; A performance standard established by the University</li> </ul>	>
IP 2	There are appropriate competencies amongst the HR team to develop strategies and provide advice on attraction, recruitment and selection (adapted from HEFCE, 2005)	<ul style="list-style-type: none"> <li>&gt; Consider job descriptions, qualifications and selection of HR staff; Survey of HR customers</li> </ul>	<ul style="list-style-type: none"> <li>&gt; A performance standard established by the University</li> </ul>	>
IP 3	Managers and staff participating on selection panels are appropriately skilled to undertake recruitment and selection in line with university policies and procedures (HEFCE, 2005)	<ul style="list-style-type: none"> <li>&gt; * Review currency of A,R&amp;S training to managers and staff on selection panels</li> <li>* Review training records to identify that A,R&amp;S training is recorded appropriately</li> </ul>	<ul style="list-style-type: none"> <li>&gt; A performance standard established by the University</li> </ul>	>



	<b>Inputs Criteria</b>	<b>Sources of evidence</b> Where to review the application of the particular criterion	<b>Indicators of success</b> The range of performance which demonstrates good HR practice	
IP 4	Recruitment and selection is guided by clear policies and procedures (HEFCE, 2005). These are comprehensive, informative, current, accessible and easy to understand (ANAO, 2007) for applicants and those involved in the selection process	> * Review A,R&S policies and procedures * Staff survey	> Comprehensive, informative, current, accessible and easy to understand	>
IP 5	There are measures for monitoring, evaluating, reporting and improving recruitment outcomes, processes and costs (ANAO, 2007)	> Identify these measures. For example: Close of advertisement to shortlisting shortlisting to Interview Interview to offer	> A performance standard established by the University. For example, suggested good practice timeframes: * Close of advertisement to shortlisting - within 2 weeks shortlisting to Interview - within 2 weeks * Interview to offer - within 2 weeks	>
IP 6	There is data collected and reported on the cost and efficiency of recruitment practice for different types of jobs (HEFCE, 2005)	> Consider: * days to offer * days to start * applicant interest	> A performance standard established by the University. For example, close of advertisement to shortlisting - within 2 weeks	>





	<b>Inputs Criteria</b>	<b>Sources of evidence</b> Where to review the application of the particular criterion	<b>Indicators of success</b> The range of performance which demonstrates good HR practice	
IP 7	There is a recruitment strategy linked to the University's strategic plan.	> Review documented linkages of attraction and recruitment strategy with University's workforce plan and other talent management strategies	> A performance standard established by the University	>
IP 8	Workforce plans provide information on recruitment and attraction priorities for the forthcoming period.	> Review documented linkages of attraction and recruitment strategy with University's workforce plan and other talent management strategies	> A performance standard established by the University	>
IP 9	Workforce plans provide information on positions or fields of expertise that are difficult to recruit for to inform recruitment strategy for these areas	> Review this information	> A performance standard established by the University	>
IP 10	There are guidelines for the documentation that needs to be maintained in recruitment files (AGV, 2005)	> Review these guidelines	> Compliance with University and appropriate records management guidelines	>



## 5 Processes Criteria

**Processes:** the activities that generate the products and services that constitute the outputs; the actions or processes applied to convert resources into a product or service.

	<b>Processes Criteria</b>	<b>Sources of evidence</b> Where to review the application of the particular criterion	<b>Indicators of success</b> The range of performance which demonstrates good HR practice	
PR 1	There is a process for monitoring and evaluating managers and staff views on current recruitment policy and practice	> * Review the process * Sample appropriate managers and staff	> A performance standard established by the University	>
PR 2	The selection processes rely on the screening measures as set out in the Australian Standard on Employment Screening AS 4811-2006.	> Review the inclusion and use of AS 4811-2006 in the A,R&S policy, procedures and practice	> Compliance with AS 4811-2006	>
PR 3	There are flexible methods of selecting staff (AVG, 2005)	> Review A,R&S policies and procedures	> A performance standard established by the University	>
PR 4	Equity and diversity principles are observed throughout the recruitment and selection process. (IIARF - Dolenko, 1990)	> * Review A,R&S policies and procedures * Review complaints / grievances re attraction and selection	> A performance standard established by the University	>



	<b>Processes Criteria</b>	<b>Sources of evidence</b> Where to review the application of the particular criterion	<b>Indicators of success</b> The range of performance which demonstrates good HR practice	
PR 5	Probationary employees have their performance reviewed during the probationary period (IIARF - Dolenko, 1990)	> Sample new appointments	> Majority compliance	>
PR 6	Recruitment processes allow for recruitment to be completed in a timely manner (APSC, 2007)	> Sample new appointments	> Majority compliance	>
PR 7	Recruitment and selection processes are systematically monitored for performance and continuous improvement. (ANAO, 2007)	> Review the monitoring processes	> A performance standard established by the University	>
PR 8	There is training on policy, process and skill development for those involved in recruitment activities. (ANAO, 2007)	> * Review currency of A,R&S training to managers and staff on selection panels * Review training records to identify that A,R&S training is recorded appropriately	> A performance standard established by the University	>



	<b>Processes Criteria</b>	<b>Sources of evidence</b> Where to review the application of the particular criterion	<b>Indicators of success</b> The range of performance which demonstrates good HR practice	
PR 9	Recruitment activities maximise the likelihood of attracting qualified candidates at a reasonable cost (IIARF - Dolenko, 1990)	> Review data collected and reported on the cost, efficiency and effectiveness of recruitment practice.	> A performance standard established by the University. For example: All recruitment for positions of particular seniority - eg all academics from level B up, all general staff from level 7 up - includes a 'search plan'	>
PR 10	There is a recognised protocol for the treatment of unsuccessful candidates.	> * Review the protocol * Sample managers and staff involved in the A,R&S process	> A performance standard established by the University	
PR 11	Prospective employees are able to readily access accurate information on which to self assess for a position	> Sample new appointees. For example: The university has a comprehensive career/recruitment web page which communicates the University's ethos, mission and values, and the value proposition it offers to prospective employees	> A performance standard established by the University	



## 6 Outputs Criteria

**Outputs:** the deliverables – goods and services – produced to achieve the outcomes being sought.

	<b>Outputs Criteria</b>	<b>Sources of evidence</b> Where to review the application of the particular criterion	<b>Indicators of success</b> The range of performance which demonstrates good HR practice	
OP 1	The workforce planning process informs recruitment activity. Workforce plans include a skills audit of current staff and future workforce requirements to identify gaps and the associated strategies for fulfilling those gaps (professional development, recruitment, outsourcing etc.)	> Review documented linkages of attraction and recruitment strategy with University's workforce plan.	> A performance standard established by the University	>
OP 2	The attraction and selection strategy and processes are aligned with other elements of overall "talent management" i.e. rewards and recognition, learning and development and performance management practice.	> Review documented linkages of attraction and recruitment strategy with University's talent management strategies	> A performance standard established by the University	>



	<b>Outputs Criteria</b>	<b>Sources of evidence</b> Where to review the application of the particular criterion	<b>Indicators of success</b> The range of performance which demonstrates good HR practice	
OP 3	Unsuccessful candidates are both a potential pool for future recruitment and advocates of the employer/institution.	> Review database of unsuccessful candidates; how it is accessed; by whom; how often; Is use of the database mentioned in the A,R&S procedure?	> A performance standard established by the University. For example, the register exists and is maintained	>



## 7 Outcomes

**Outcomes:** the results or consequences of the actions or outputs. Outcomes may be short, intermediate or long term.

	<b>Outcomes</b>	<b>Sources of evidence</b> Where to review the application of the particular criterion	<b>Indicators of success</b> The range of performance which demonstrates good HR practice;	
OC 1	The university demonstrated consistent application of better practice, processes and procedures in attraction and selection	> Sample recruitment processes relative to a checklist of expected processes	> Majority compliance	>
OC 2	Applicants were treated fairly and equitably	> Review complaints / grievances re attraction and selection; survey successful applicants as a follow-up after commencing work	> A performance standard established by the University	>
OC 3	Unnecessary, voluntary turnover was minimised	> Review exit information for reasons for leaving	> A performance standard established by the University. For example, Voluntary employee initiated turnover should be less than 10% (QUT benchmarking for 2008 indicated 10.07% as 50th percentile, 12.28% 75th percentile)	



	<b>Outcomes</b>	<b>Sources of evidence</b> Where to review the application of the particular criterion	<b>Indicators of success</b> The range of performance which demonstrates good HR practice;	
OC 4	The attraction and recruitment strategy was congruent with the workforce plan and to other elements of the University's talent management strategy.	> Review documented linkages of attraction and recruitment strategy with the University's workforce plan and other talent management strategies	> There is a demonstrated and documented congruence	>
OC 5	Attraction and selection processes were focussed in activities that optimize success.	> Review documented plans for attraction and recruitment to identify optimal planning	> The review demonstrated optimal planning for attraction and selection activities	>
OC 6	Investment (time, finances, resources and priority) was focussed on attraction and selection activities that were efficient and economical.	> Review documented evaluation of efficiency and economy of attraction and selection activities	> The review demonstrated efficiency and economy of attraction and selection activities	>
OC 7	The University had the right skills, experience, competencies and knowledge, in the right place, at the right time and at the right price.	> Review job design, job description and selection criteria in the context of reporting on and evaluating attraction and selection activities.	> The review demonstrated majority completion of attraction and selection activities	>
OC 8	Compliance obligations were met in relation to the recruitment process	> Sample of recruitment processes	> Majority compliance	>





## 8 Risk Criteria

The use of this Standard assists the University to avoid or effectively manage risks associated with:

- Appointing the wrong person
  - a. due to wrong fit with the job and/or the organisation
  - b. with the wrong qualifications, inadequate qualifications or without the proper licensing.
  - c. due to failure to comprehensively check references or eligibility for appointment.
- Rejecting applicants who may reasonably have been appointed.
- The rejection of reasonable job offers (adapted from HEFCE, 2005).
- The re-advertising of vacant positions because of a lack of suitable applicants (HEFCE, 2005).
- Resources wasted on inefficient and ineffective recruitment (HEFCE, 2005).
- Failure to attract suitable candidates for positions
- Loss of productivity from making the wrong appointment.
- Not achieving the University's equity and diversity goals.
- Inconsistent application of the organisation's attraction and selection policy and/or guidelines.
- Conflicts of interest, nepotism, bias or discrimination.
- Poor university reputation through processes, systems, or level of candidate care

Related risk:

- Staff who leave earlier than expected (HEFCE, 2005).



## 9 Date of Application

## 10 Review Date

## 11 Contributors

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## 13 Standards Project Definitions

### **Accountability**

A personal obligation, liability, or answerability to others for actions carried out and performance achieved; responsibility (CCH Macquarie Dictionary of Employment and Industrial Relations 1992).

### **Assessment**

To *officially* estimate the value of something (Concise Macquarie).

### **Assurance**

An objective *examination* of evidence for the purpose of providing an independent assessment on risk management, control, or governance processes for the organisation. Examples may include financial, performance, compliance, system security, and due diligence engagements (Institute of Internal Auditors).

### **Attestation**

One type of assurance service in which public accountants (or other professionals) issue a written communication that expresses a conclusion about the reliability of a written assertion of another party. To qualify as an attestation service, the engagement must involve written assertions on some accountability matter (Arens, Best, Shailer, Fielder, & Loebbeche, 2002).

### **Audit**

An official *examination* and verification of records. (Concise Macquarie Dictionary).

A systematic analysis, appraisal, testing and verification of the legality, fidelity and efficiency or feasibility of proposed or completed procedures, operations, transactions, expenditures and the official records of them (CCH Macquarie Dictionary of Employment and Industrial Relations 1992).

### **Auditing**

The accumulation and evaluation of evidence about information to determine and report on the degree of correspondence between the information and established criteria (Arens et al, 2002).



### **Audit Report**

The communication of findings to users (Arens et al, 2002).

### **Benchmarking**

Benchmarking is the formal and structured process of searching for those practices which lead to excellent performance, the observation and exchange of information about them, their adaptation to meet the needs of one's own organisation, and the implementation of the amended practice. (Meade, 1998), (AUQA: n.d.)

### **Capability**

Capability is a broader concept than that of competence. Capability embraces competence but is also forward-looking, concerned with the realization of potential. Capability includes but goes beyond the achievement of competence in present day situations to imagining the future and contributing to making it happen. Capability is an integration of knowledge, skills, personal qualities and understanding used appropriately and effectively - not just in familiar and highly focused specialist contexts but in response to new and changing circumstances. (Dolan, n.d.)

### **Certification**

Official recognition that a specified status has been achieved, or that certain privilege(s) may be exercised. The same as licensing (qv). (AUQA: n.d.)

### **Competency**

The specific knowledge, skills, abilities and behaviour applied within an occupation or industry to the standard required in employment. (University of South Australia, n.d.)

The integrated application of knowledge, skills, values, experience, contacts, external knowledge resources and tools to solve a problem, to perform an activity, or to handle a situation. (Sitthisak, Gilbert and Davis, 2007).

### **Criteria**

A standard of judgement; an established rule or principle for testing (Concise Macquarie).



### **Economic**

Expenditure is *economic* if it achieves the desired objective at least cost. (Leibenstein, cited in Craven and McNulty 1994, p.4.)

### **Effectiveness**

A process is effective if its outcomes match the stated goals. Effectiveness is often seen as an aspect of quality (qv). (AUQA: n.d.)

Expenditure is *effective* if it achieves its objectives without taking account of cost. (Leibenstein, cited in Craven and McNulty 1994, p.4.)

### **Efficient**

Efficiency refers to the cost in relation to the outcomes achieved. It is rarely possible to describe it in absolute terms. One process is more efficient than another if it achieves the same outcomes at a lower cost (AUQA: n.d.)

Expenditure is *efficient* if it gives the highest Net Present Value (NPV) when other uses of the funds are considered. (Leibenstein, cited in Craven and McNulty 1994, p.4.)

### **Equity**

Equity refers to: the quality of being fair and just; fairness (Macquarie Dictionary of Employment & IR: 1992). Equity is considered within a context – eg: equal access; equal treatment; equal opportunity; equal pay; equal worth. In the context of developing HR standards for specific activities there is a need to examine each of the proposed standards against equity considerations.

*Example:* Workforce planning – care must be taken to ensure that the workforce profile selected for a future time period is not based on direct or indirect criteria that might result in gender discrimination.

### **Evaluation**

To ascertain the value or amount of; to appraise carefully. (Concise Macquarie)

The systematic investigation of worth or merit. Criteria must be specified for determining 'worth' or 'merit'. 'Evaluation' is sometimes used as a neutral term. (Adapted from AUQA: n.d.)



### **Evidence**

Proof; grounds for belief; that which tends to prove or disprove something. (Concise Macquarie)

Any information used by the auditor to determine whether the information being audited is stated in accordance with established criteria (Arens et al, 2002).

### **Evidenced Based**

The conscious, explicit and judicious use of the best and current evidence in making decisions. It means integrating experience with the best available external evidence taken from systematic research. Evidence based decision making requires efficient literature-searching skills and the application of rules of evidence and logic in evaluating the research (Sackett, Rosenberg, Muir Gray, Haynes, & Richardson, 1996).

### **Examination**

To inspect or scrutinise carefully; to interrogate; to test the knowledge, reactions or qualifications. (Concise Macquarie)

### **Human Resource Audit**

An audit undertaken of human resource management, or within an aspect of human resource management. (Andrews, 2007)

### **Human Resource Performance Audit**

A performance audit of human resource management, or an aspect of human resource management, to determine its effectiveness, and/or efficiency and/or economy (Andrews, 2007).

### **Inputs**

The human, physical and financial resources used and the time required to produce the outputs. Inputs are what the process or activity uses. (Audit Office of New South Wales, 2000; Local Government Best Value Commission, n.d.)

### **KPI: key performance indicators**

A performance indicator deemed particularly important or significant.



### **Measure**

The act or process of ascertaining the extent, dimensions, quantity etc of something especially by comparison with a standard\*; (Concise Macquarie)  
In relation to a *standard* this view of the meaning of *measure* would presume the standard has a quantitative dimension.

### **Management Assurance**

A level of assurance provided by Management alone.

Management assurance requires qualified independent validation in order to raise its perceived value to the level of independent assurance (eg audit).

### **Measurement**

The act of measuring. (Concise Macquarie)

### **Outcome**

The results or consequences of the actions or outputs. Outcomes may be short, intermediate, or long term. (The Audit Office of New South Wales, 2000).

### **Outputs**

The deliverables – goods and services – produced to achieve the outcomes being sought. (Queensland Government Treasury, 2003).

### **Output measures**

Demonstrate the contribution made by the output to the achievement of strategic goals and outcomes. Output measures are often:

- Cost: how much does the process or service cost to deliver?
- Time – whether outputs are delivered in a timely manner
- Quality – how good the output is. (Auditor General of Queensland, 2007)

### **Opinion**

Judgement or belief resting on grounds insufficient to express certainty; a formal or professional judgement expressed; a personal view, attitude or estimation. (Concise Macquarie)



Note: Types of opinion: unqualified, qualified, adverse and disclaimer (ie insufficient competent evidence), (Siegal & Shim 2000)

### **Performance Indicator**

A representation - numeric or otherwise - of the state of, or outcomes from, an organisation, or any of its parts or processes.

Performance indicators should be subject to informed interpretation and judgement; for example, by such assessment groups as audit panels. They are sometimes called management indicators, to suggest their purpose rather than their source. Organisational performance measures that have been developed independently tend to be weakly correlated with one another. To avoid this, they should be developed in an integrated fashion, with a common direction. (AUQA, n.d.)

### **Processes**

The activities that generate the products and services that constitute the outputs. The actions or processes applied to convert resources into a product or service. (Department of Finance and Administration, 2000).

### **Proof**

Evidence sufficient to establish a thing is true, or to produce belief in its truth (Concise Macquarie).

### **Quality**

Fitness for purpose, where 'purpose' is to be interpreted broadly, to include mission, goals, objectives, specifications, and so on. This is an inclusive definition, as every organisation or activity has a purpose, even if it is not always precisely stated. Fitness for purpose' means both that an organisation has procedures in place that are appropriate for the specified purposes, and that there is evidence to show that these procedures are in fact achieving the specified purposes.

Some people criticise this definition for ignoring 'fitness of purpose', but this misses the point. Fitness of purpose must be considered at the time that objectives are defined; quality is then a matter of achieving these objectives.

Using this definition, achieving quality in education involves two steps. The first step is for institutions to set objectives that embody what is expected and required by students, employers, legislation and statutes, in addition to responding to broader issues, such as the demands arising from the characteristic nature of academic activity and the rapid development of knowledge. The second step is for the institution to ensure that it attains its objectives. Quality is related to standards if the objectives include explicit specification of levels of attainment. (AUQA, n.d.)





## **Quality Audit**

'Quality audit' is defined as 'a systematic and independent examination to determine whether activities and related results comply with planned arrangements and whether these arrangements are implemented effectively and are suitable to achieve objectives' (Standards Australia & Standards New Zealand Joint Technical Committee QR/7 1994). This definition has been adopted by AUQA as the foundation of its approach to audit (AUQA, n.d.).

A 'quality audit' must be distinguished from an 'audit' conducted by a qualified auditor operating under a professional audit framework and within the Australian Auditing Standards.

## **Review**

An institution (or any part thereof) may be reviewed for any purpose, and the term 'review' can embrace a checking mechanism, whether it be assessment, audit or accreditation, internal or external, and so on. Care must be taken when using the term to differentiate the activity from a professional audit (AUQA, n.d.).

## **Risk**

*Risk* is the likelihood that some peril may actually occur to produce a loss, that is, risk is the degree to which an organization is exposed to the loss of its resources.

A risk is defined by the Australia/New Zealand Standard for Risk Management (AS/NZS 4360:2004) as

*"...the possibility of something happening that impacts on organisational objectives. It is the chance to either make a gain or a loss. It is measured in terms of likelihood and consequence."*

Risk is anything that threatens or limits the ability of a project to achieve its goal, objectives, or the production of project deliverables.

## **Risk Management**

The Australian / New Zealand Risk Management Standard, AS/NZS 4360: defines risk management as: *"the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects"*.

Risk management is a process of thinking systematically about all possible undesirable outcomes before they happen and setting up procedures that will avoid them, minimise or cope with their impact.

Risk management involves establishing an appropriate risk management infrastructure and culture, and applying logical and systematic risk management processes to all stages in the life cycle of any activity, function or operation that includes risk. By minimising losses and maximising gains, risk management enables the University to



best meet its organisational objectives.

### **Self-audit**

An oxymoron; the correct term is self-assessment (or self-review or self-evaluation). Audit, by its very nature, cannot be 'self', as it lacks independence.

### **Self-review**

Self-review can be an ongoing process that is built into all activities in a sense of continuous improvement; it might be an ongoing process that leads to a report to the governing body for confirmation or redirection; it might be a long event that leads to major change; it might be a brief event that provides a snapshot for comparison with an earlier snapshot; and so on. (AUQA Audit Manual, Version 3.0, section 2.4.2). May also be called self-evaluation but never self-audit (Andrews, 2007).

### **Standard**

Anything taken by general consent as a basis of comparison; an approved model; a level of quality which is regarded as normal, adequate or acceptable (Concise Macquarie).

A norm or model adopted by general consent as a basis for comparison eg against which to measure individual or organisational achievements or procedures, or as a target to be aimed at (CCH Macquarie Dictionary of Employment and Industrial Relations 1992).

A standard is an agreed specification or other criterion used as a rule, guideline, or definition of a level of performance or achievement. One function of standards is to measure the criteria by which quality may be judged. Although standards are necessary, they are difficult to determine (AUQA, n.d ).

The term 'standard' is also often used to refer to:

- Factors for evaluating performance
- Normative characteristics
- Best practice exemplars.

Quality is related to standards if the objectives include explicit specification of levels of attainment. (AUQA, n.d.)

### **Standards Project for University Human Resources (Aust)**

These standards should reflect what we 'would expect to see' at a university human resource function in Australia. (NB: A university or group of universities may also have organisational specific or group HR standards).



### **Validation**

The independent checking of a process. The term is sometimes used to denote the accreditation of a program (as distinct from a whole institution) (AUQA, n.d.).

### **Value**

Estimated or assigned worth (Concise Macquarie).

### **Value for Money**

Auditors and economists (at least in the public sector) consider an activity to be worthwhile if it gives 'value for money'. This means that an activity must be *effective*, *economic* and *efficient* (the three Es).

Note:

- a) Expenditure is *effective* if it achieves its objectives without taking account of cost,
- b) Expenditure is *economic* if it achieves the desired objective at least cost, and
- c) Expenditure is *efficient* if it gives the highest Net Present Value (NPV) when other uses of the funds are considered. (Leibenstein, cited in Craven and McNulty 1994, p.4.)
- d) While equity would normally be considered as a sub-set of the specification of effectiveness it may also be useful to explicitly add equity as a criteria for reference. This changes the value-for-money criteria to *effectiveness*, *efficiency*, *economy* and *equity* (*the four E's*).

### **Verify**

To prove something to be true by evidence or testimony. (Concise Macquarie)

### **Verification**

The act of verifying. (Concise Macquarie)



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