



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

QUT Benchmarking Measures
mapped against the
WPP University HR Advisory Standards
Approach



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Background and Context

During the course of the development of the WPP University HR Standards, it became evident that the measures developed in the Standards could be aligned with the HR Benchmarking measures in order to assess the efficiency, effectiveness and economy of a particular benchmarking metric.

This document *aligns* or *maps* HR performance assessment criteria with HR benchmarks.

The purpose is to identify what a particular measure is describing.

For example, if an HR ratio is an input measure and focused on efficiency it cannot (in isolation) be used to assess overall outcomes and effectiveness.



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

HR Benchmarking Program

The Universities' HR Benchmarking Program examines nine main measures that relate to the Higher Education Sector. These include:

1. Staffing

- FTE Excluding Casuals
- FTE Including Casuals
- Headcount
- Functional Staffing Ratios
 - Human Resources FTE
 - Information Technology FTE
 - Student Administration FTE
 - Student Services FTE

2. Turnover

- Total Turnover
 - Voluntary Employee Initiated Separations (VEI)
 - Voluntary University Initiated Separations (VUI)
 - Involuntary University Initiated Separations (IUI)
 - Fixed Term Contract Expiration Separations (FTC)

3. Recruitment (Efficiency & Effectiveness)

- Number of Applications
- Number of Advertised Vacancies
- Days to Offer
- Days to Start
- Total Recruits
 - Internal Recruits
 - External Recruits

4. Academic

- Doctoral Qualifications
- Successful Promotions
- Number of Applications (Academic Promotions)
- Honorary Academics

5. Age

- Age Profile



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- Median Age of Recruits
- Median Age of Separations

6. Occupational Health and Safety (OHS)

- Lost Time Occurrences
- Days Lost to OHS Incidents

7. Employment Costs

- Employment Costs
- Total Income

8. Length of Service (LOS)

- Length of Service Profile (FTE)
- Median Length of Service of Current Staff
- Median Length of Service of Separations

9. Absence

- Unscheduled Absence

University HR Standards

Queensland University of Technology (QUT) received DEEWR funding under the Federally funded Workplace Productivity Programme (WPP) to form a project in conjunction with Talent2 and Bond University that was charged with the development and delivery of national advisory standards for the performance of human resource activities in Australian universities. Prior to the project, there were no such standards.

The project focussed on five HR activity areas:

1. Learning & Development;
2. Performance Management & Engagement;
3. Remuneration, Benefits & Recognition;
4. Workforce Planning;
5. Attraction & Selection

<http://www.hrd.qut.edu.au/hrbenchmarking/wpp.jsp>



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1. The structure of the each Standard developed relies on the following framework ^{1 2}
 - 1.1. **Inputs:** the human, physical and financial resources used and the time required to produce the outputs. Inputs are what the process or activity uses.
 - 1.2. **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.
 - 1.3. **Outputs:** the deliverables – goods and services – produced to achieve the outcomes being sought.
 - 1.4. **Outcomes:** the results or consequences of the actions or outputs. Outcomes may be short, intermediate or long term.
 - 1.5. **Risks:** The use of each Standard assists the University to avoid or effectively manage associated risks.
2. Measures of inputs, processes, outputs and outcomes are all required to gain a full understanding of the performance of a human resource department and human resource activity.
3. Reporting performance information involves bringing together non-financial and financial information. It needs to report performance in terms of efficiency and effectiveness. An effective outcomes and outputs performance management framework³ reports results about:
 - 3.1. What does the University want to achieve?
 - 3.2. How does it achieve this?
 - 3.3. What are the costs of activities? (inputs)
4. Performance reporting needs to provide sufficiently meaningful information so that users are able to adequately assess actual performance.⁴ Such information includes:
 - 4.1. A clear definition of the measure and a description of how it is calculated.
 - 4.2. A clear articulation of the expected result or target and how it was determined.
 - 4.3. The variance between the actual result and the target, together with sufficient explanation of the underlying reasons for the variance, where significant.

¹ Victorian Auditor-General. (2008). *Performance Reporting in Local Government*. Victoria, Australia: Victorian Auditor-General's Office.

² Auditor-General of Queensland. (2007). Report to Parliament No.4 for 2007: *Are departmental output measures relevant, appropriate and a fair representation of performance achievements?* Brisbane, Australia: Queensland Audit Office.

³ Auditor-General of Queensland, Report to Parliament No.4 for 2007: *Are departmental output performance measures relevant, appropriate and a fair representation of performance achievements?*

⁴ Victorian Auditor-General, June 2008. *Performance Reporting in Local Government*.



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

- 4.4. Trend data to show how performance has changed over time.
- 4.5. External benchmark data to enable comparative assessment of performance (and to demonstrate achievements and best practice ¹).
5. Performance measures should be ²:
 - 5.1. Able to be reliably quantified.
 - 5.2. Calculated consistently, when used for more than one period.
 - 5.3. Based on accurate source data.
6. **Effectiveness** means *the achievement of the objectives or other intended effects of activities at a program or entity level*⁵
7. **Effectiveness indicators** compare outcomes (eg a policy objective) with outputs. How well did the output achieve what it was meant or expected to achieve? Did we do the right thing? A clear articulation of outcomes is necessary to determine the types of outputs that should be delivered. An output may contribute to several outcomes, and several outputs may contribute to a single explicit outcome.

These can include satisfaction measures.
8. **Efficiency** means *the use of resources such that output is optimised for any given set of resource inputs, or input is minimised for any given quantity and quality of output.* ⁶
9. **Efficiency indicators** are measures of productivity, and compare outputs to inputs in the pursuit of effectiveness. They usually relate to cost, quantity, and time. These measures inform judgments about how well resources were used to provide the outputs, and raise consideration of whether the department is Doing things well / doing things right.
10. **Economy** is acquiring human and material resources of the appropriate quality and quantity at the lowest cost. It means *the acquisition of the appropriate quality and quantity of resources at the appropriate times and at the lowest cost* ⁷

⁵ Auditing and Assurance Standards Board (AASB) (2008). *Standard on Assurance Engagements ASAE 3500 Performance Engagements*. Retrieved 28 Aug 2008 from http://www.auasb.gov.au/docs/ASAE_3500_31-07-08.pdf

⁶ Auditing and Assurance Standards Board (AASB) (2008). *Standard on Assurance Engagements ASAE 3500 Performance Engagements*. Retrieved 28 Aug 2008 from http://www.auasb.gov.au/docs/ASAE_3500_31-07-08.pdf

⁷ Auditing and Assurance Standards Board (AASB) (2008). *Standard on Assurance Engagements ASAE 3500 Performance Engagements*. Retrieved 28 Aug 2008 from http://www.auasb.gov.au/docs/ASAE_3500_31-07-08.pdf



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

Alignment of HR Benchmarking Metrics with University HR Standards Measures

This document aligns the current Universities' HR Benchmarking Program measures to the HR Advisory Standards developed under the WPP project identifying whether the measures are (measures of) Inputs, Processes, Outputs or Outcomes, and whether they are measures of economy, efficiency or effectiveness. Table 1 (below) identifies that alignment, and was sent to 81 HR specialists for review/consideration.

Discussion.

HR often becomes engrossed in tactical activity and processes, rather than clearly linking to the organisation's strategic objectives. HR can provide a valuable service but may not be providing an effective service (to achieve 'value-for money', an activity should be effective, efficient and economic), as HR often directs its efforts and resources to the 'here and now', current needs, and transactional rather than strategic effectiveness. One recent interviewee described this mode of operating as 'the cycle of fury'; another as 'being caught in the activity trap'.

A key paradigm of the HR Advisory Standards project is that HR should not become enmeshed in the 'activity trap'^[1] where the focus is on busy-ness and volume, but rather lift the line of sight in seeking to be effective and demonstrating value-add.

Given the above premise, HR KPIs / measures are often activity-based, so that the measure and/or target, is often the completion of an activity rather than the achievement of an holistic outcome. Indicators may have been chosen because they can be (easily) measured, not because they are the right things to measure. A weakness in this approach is that the measures might not provide an indication of the impact of the activity, and often focus on how the work was undertaken. In other words, they may not answer the questions: Did the activity achieve the planned outcome? How well?

Consequently, in terms of any performance review, there can be an assessment of the extent to which resources have been managed economically or efficiently, but without an insight into effectiveness.

In essence, this mapping project identifies the need for the Universities' HR Benchmarking Program to develop measures that focus on outcomes.

Over recent years, outcome based management and reporting have been promoted in the Australian public sector, in particular.

What is OBM? It focuses on why things are done not just what is done, and facilitates managing for results, and provides outcomes and Key Performance Indicators (KPIs) against which performance can be measured.

Audits have found deviance from best-practice OBM. For example, the Victorian Auditor-General's report of June 2008 examined performance reporting by councils. *"It concludes that much of the performance data reported is not useful.....and that important data on the cost-efficiency and quality of council services, and on the achievement of outcomes is not being reported"*. This was followed by a 2010 report which concluded that *"the focus of performance*

^[1] Lundgaard, W. (2008). Human Resource Management: Surviving and Thriving in the 21st century: White Paper on Issues of Human Resource Measurement.



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

reporting in Victoria has largely remained on output performance measures” so that only a few departments were able to demonstrate the extent to which objectives had been met.

In these circumstances, departments were not able to demonstrate effective use of allocated funds to Parliament and the community.

So, if the focus on HR and/or public sector KPIs is on ‘what is done’ rather than ‘did we achieve our objectives’, stakeholders are less likely to demonstrate value-for-money effectiveness.

The Australian National Audit Office (2004) proposes that a good performance reporting framework should include specified desired outcomes and measurable performance indicators for those outcomes. This proposition could equally apply to HR departments.



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

Table 1

Source	QUT benchmark measure	To which WPP standard could it apply?	Measure of:						
			Input	Process	Output	Outcome	Economy	Efficiency	Effectiveness
QUT	1. Recruitment rate	A&S							
QUT	2. Recruitment Source	A&S							
QUT	3. Applicant interest	A&S							
QUT	4. Recruitment Days to Offer	A&S							
QUT	5. Recruitment Days to Start	A&S							
Mercer	6. Training function budget per employee	L&D							
Mercer	7. Training function budget as a % of revenue	L&D							
Mercer	8. Number of training hours per employee	L&D	Planned		Actual				
RRB	9. Training function budget as a % of HR department budget	L&D							
Sullivan	10. Is training closing the gap between current and needed future competencies?	L&D							
QUT	11. Average Time Lost	OH & S							
QUT	12. OH&S Incident Rate	OH & S							
Mercer	13. Lost time occurrence frequency rate	OH & S							
QUT	14. OH&S Compensation Costs as a percentage of Employment costs	OH & S	Plan		Actual?				



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

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Source	QUT benchmark measure	To which WPP standard could it apply?	Measure of:						
			Input	Process	Output	Outcome	Economy	Efficiency	Effectiveness
QUT	15. Employment costs as a % of Revenue	People Strategy							
Mercer	16. HR function budget per employee	People strategy							
Mercer	17. HR function budget as a % of revenue	People Strategy							
Mercer	18. Profit per employee	People Strategy							
HCI	19. The HR department manages its processes in ways that add value.	PM for HR							
QUT	20. Unscheduled Absence Taken per employee	PM; OH & S							
Sullivan	21. Employees rating of the HR function as a contributor or barrier to productivity	RBR							
	22. The University is viewed as a great place to work.	RBR							
McBassi	23. Leadership practices	RBR							
Sullivan	24. % of employees who feel challenged, growing, recognised by manager	RBR / PM							
CIPD	25. % of employees feeling they have an opportunity to innovate	RBR / PM							



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

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Source	QUT benchmark measure	To which WPP standard could it apply?	Measure of:						
			Input	Process	Output	Outcome	Economy	Efficiency	Effectiveness
QUT	26. Honorary / Visiting Academics	WP							
QUT	27. Ratio of Division to Faculty staff (excluding casuals)	WP							
QUT	28. Ratio of Division to Faculty staff (including casuals) ²	WP							
QUT	29. Ratio of General staff to Academic Staff (Excluding casuals)	WP							
QUT	30. Ratio of General staff to Academic Staff (including casuals) ^Y	WP							
QUT	31. Ratio of Faculty General Staff to Faculty Academic (Excluding Casuals)	WP							
QUT	32. Ratio of Faculty General Staff to Faculty Academic (Including Casuals)	WP							
QUT	33. Centralised Staffing Ratio – Finance	WP							
QUT	34. Centralised Staffing Ratio – Information Technology	WP							
QUT	35. Centralised Staffing Ratio – Student Administration	WP							
QUT	36. Centralised Staffing Ratio – Student Services	WP							
QUT	37. Centralised Staffing Ratio – Libraries	WP							
QUT	38. Centralised Staffing Ratio – Building /	WP							



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

Table 1

Source	QUT benchmark measure	To which WPP standard could it apply?	Measure of:						
			Input	Process	Output	Outcome	Economy	Efficiency	Effectiveness
	Facilities								
QUT	39. Centralised Staffing Ratio – Learning and Research	WP							
QUT	40. Centralised Staffing Ratio – Marketing / Communication staff	WP							
QUT	41. Centralised Staffing Ratio – HR Department staff	WP							
QUT	42. Centralised Staffing Ratio – Payroll staff	WP							
QUT	43. HR Function Staffing ratio	WP							
QUT	44. Ratio of Fixed Term FTE to Ongoing FTE	WP							
QUT	45. Ratio of Part time FTE to Full time FTE	WP							
QUT	46. Female participation	WP							
QUT	47. Total Turnover	WP							
QUT	48. Indigenous staffing	WP							
QUT	49. Voluntary Employee initiated turnover	WP							
QUT	50. Voluntary University initiated turnover	WP							
QUT	51. Involuntary University initiated turnover	WP							
QUT	52. Fixed term contract expiration	WP							



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

Table 1

Source	QUT benchmark measure	To which WPP standard could it apply?	Measure of:						
			Input	Process	Output	Outcome	Economy	Efficiency	Effectiveness
QUT	53. Age Profile – total	WP							
QUT	54. Age Profile – Male	WP							
QUT	55. Age Profile – Female	WP							
QUT	56. Age Profile – Academic Total	WP							
QUT	57. Age Profile – Senior staff	WP							
QUT	58. Age Profile – General total	WP							
QUT	59. Length of Service Profile – total staff FTE	WP							
QUT	60. Length of Service Profile –Male	WP							
QUT	61. Length of Service Profile –Female	WP							
QUT	62. Length of Service Profile –Academic total	WP							
QUT	63. Length of Service Profile –Senior staff	WP							
QUT	64. Length of Service Profile –General total	WP							
Sullivan	65. Voluntary turnover rate for: Key executives Top performers Individuals with key competencies Individuals in hard to hire roles	WP							



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

Table 1

Source	QUT benchmark measure	To which WPP standard could it apply?	Measure of:						
			Input	Process	Output	Outcome	Economy	Efficiency	Effectiveness
RRB	66. Number of vacant critical positions	WP							
QUT	67. Doctoral Qualifications	WP / A&S							
QUT	68. Academic Promotion Rate	WP / A&S							
QUT	69. Applications for Promotion rate	WP / A&S							
QUT	70. Academic Promotions Success Rate	WP / A&S							

WPP Standard	# of metrics
A&S	5
L&D	5
OH&S	4
People Strategy	4
PM	6
RBR	3
WP	41
WP / A&S	4



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

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