

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

## ***Standard: 3.0***

### ***Activity Area: Workforce Planning***

Workforce planning is a continuous process of identifying human capital requirements to meet future organisational goals. This is achieved by: (1) facilitating alignment of the organisation's investment in people with its stated objectives, (2) developing the strategies, methodologies and processes to address those requirements, and (3) ongoing conversations between the workforce planners and line managers.

Workforce planning is not:

1. headcount planning or budgeting.
2. determining the organisation's establishment.
3. allocating staff numbers to particular locations
4. simply concerned with rostering. [Rostering is an operational allocation of resources currently available].
5. a one-time endeavour.

Workforce management, the implementation of the workforce plan, is a line management responsibility

This standard assumes that a Capability Framework is not standard practice in the Higher Education Sector.



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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 Workforce Planning. The Standard, and any self-assessment or audit process, facilitates an integrated approach to the achievement of a University's strategic goals.
- 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 workforce planning 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 workforce planning 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 that there is an alignment and evidence based linkage between the University's human capital and its strategic goals. (Adapted from Standards Australia, 2004)
- (ii) To enable the University to manage human capital more efficiently (adapted from Young, 2006)
- (iii) To ensure that Workforce planning develops an organisation's workforce over time to enable the delivery of organisational objectives. (Adapted from Auditor General of Queensland, 2006)
- (iv) To ensure a highly engaged workforce, reflecting the desired capability profile and a university that is considered to be an employer of choice for high performing staff.

#### Operational Objectives:

- (v) To ensure the University has the right people in the right places at the right time and at the right price to execute its business strategy. (Young, 2006)
- (vi) To ensure that Workforce planning and decision making is supported by evidence based data (Adapted from HEFCE, 2005)
- (vii) The University demonstrates action and maintenance towards its own diversity objectives and targets (Adapted from HEFCE, 2005)



## 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 University has the skills and systems to collect and analyse organisational workforce data (adapted from HEFCE, 2005)	<ul style="list-style-type: none"> <li>* Review competencies of staff focussing on workforce planning</li> <li>* Review technology, systems, processes used to gather and analyse workforce data</li> <li>* Review quality and completeness of data</li> </ul>	<ul style="list-style-type: none"> <li>* The workforce data systems provide accurate and complete data.</li> <li>* Workforce planning staff participate in regular professional development.</li> </ul>	>
IP 2	The University has managers able to use workforce data effectively (HEFCE, 2005)	> Evidence of provision of support for managers. For example, through notes, guides and training.	> HR reporting systems produce relevant and easily understood data. Adequate training is provided in the interpretation and use of the reports. For example, 100% of senior leaders trained x% of middle and emerging managers trained.	>
IP 3	Relevant staff and stakeholders understand their role in the overall workforce planning framework (Standards Australia, 2004)	<ul style="list-style-type: none"> <li>* Survey or interview relevant staff and stakeholders</li> <li>* Roles are specified in documentation</li> </ul>	* Majority result for relevant staff and stakeholders	>



	<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	There is a clearly identified accountability or accountability arrangement to manage the workforce planning processes (adapted from Standards Australia, 2004)	<ul style="list-style-type: none"> <li>* Confirm accountability</li> <li>* Review a sample of staff to determine awareness of the accountability</li> </ul>	<ul style="list-style-type: none"> <li>* The accountability is widely understood</li> <li>* Majority result</li> </ul>	>
IP 5	There is a common language to describe competencies, jobs and other workforce data (Young, 2006)	<ul style="list-style-type: none"> <li>* Identify availability and currency of any data dictionary associated with workforce planning</li> </ul>	<ul style="list-style-type: none"> <li>* A performance standard established by the University</li> <li>* It is readily available and widely understood</li> </ul>	>
IP 6	Valid, reliable data is collected and available in a timely manner (SSA, 2006)	<ul style="list-style-type: none"> <li>* Review workforce data</li> <li>* Review technology, QA data, systems, processes used to collect, store and access workforce data</li> </ul>	> Valid, reliable data is collected and available in a timely manner	>
IP 7	There is senior management support for workforce planning (SSA, 2006)	<ul style="list-style-type: none"> <li>* Survey relevant staff and stakeholders involved in the workforce planning process</li> <li>* Evidence of senior management support for workforce planning in business plans and objectives.</li> </ul>	> Accountability understood by 90% of senior university leaders	>





	<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 8	Benchmark data is available, utilised (SSA, 2006), analysed and communicated.	> Review availability and use of benchmark data	> Extensive use of benchmark data wherever possible.	>
IP 9	Data is collected on all elements of the workforce including the contingent workforce i.e.volunteer (honorary, adjunct unpaid), contractor and casual	> Human capital database and workforce reports include information on the entire workforce	> Human capital database and workforce reports include information on the entire workforce	>



## 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	Workforce planning is influenced by changes in strategic objectives and priorities, technological change, changes to legislation, new or revised services or programs, or changes in service delivery (Dolenko, 1990)	> Regular reviews and adjustments made to workforce plans and strategies, including clear statements of assumptions and formulas.	* A performance standard established by the University * Regularity of reviews to update workforce plans * Responses to internal and external factors are reflected in annual planning documents	>
PR 2	Workforce planning is integrated with business and budget planning (Young, 2006)	> Planning and budget documents include workforce considerations and assumptions	> Workforce planning is integrated with business and budget planning	>
PR 3	Forecasting models are based on appropriate and documented assumptions to ensure rigorous estimation of future workforce supply and demand. (Auditor General of Queensland, 2006)	> Evidence of assumptions used in forecasting models (human capital database may not be the forecasting tool)	* Reporting on workforce planning progress includes assessment of the forecasting model * Forecasting models are based on appropriate and documented assumptions.	>



	<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 4	The external environment is scanned for issues impacting on the university and its workforce (Auditor General Victoria, 2004) using an analysis of the social, technological, environmental and political (STEP) factors	> Evidence of regular scanning of the external environment	> The external environment is scanned for issues impacting on the University's workforce planning. Best practice: continual scanning. Minimum standard: annual scan	>
PR 5	Critical roles and strategic workforce segments are identified. (Auditor General Victoria, 2004)	> Listing of critical roles and strategic workforce segments	> Critical roles and strategic workforce segments are identified.	>
PR 6	The University assesses the competencies and skills of the workforce to analyse the differences between the current and desired competency profile. (ANAO, 2005)	> Identify that there is a process to identify actual and desired competencies and skills	> The University assesses the competencies and skills of the workforce to analyse the differences between the current and desired competency profile. This process includes the level of the lowest business unit	>
PR 7	The capability of individuals and the workforce is continually assessed through a talent review process that is supported by performance data. (Auditor General Victoria, 2004)	> Identify that there is a process to capture and record capability.	> The capability of individuals and the workforce is regularly assessed through a talent review process.	>



	<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 8	The University ensures managers have the knowledge and skills to use workforce data	> Identify that managers have the skills to use workforce data through survey, testing or observation.	> A performance standard established by the University. For example, appropriate skills across 80% of managers.	>
PR 9	The workforce planning process is communicated to all levels of the University, highlighting the benefits it will bring to employees as well as the organisation as a whole (Standards Australia, 2004)	* Review the university's workforce planning process: is it documented? In an accessible location? Includes relevant stakeholders? * Review the communication of the workforce planning process and how widely it is communicated.	> The workforce planning process is communicated to all levels of the University. It may be available on the University intra-internet.	>
PR 10	Managers at all levels are held accountable for the outcomes of the workforce planning process as part of their business planning. (Auditor General Victoria, 2004)	> Review the University's workforce planning process: Are managers accountable for the outcomes of the workforce planning process?	> Managers at all levels are held accountable for the outcomes of the workforce planning process. This may form part of the annual professional development review process.	>
PR 11	Longer term planning and forecasting should strategically approach future trends and not be conducted on a reactive basis. (Auditor General Queensland, 2006)	> The long term plans and forecasts take into account future trends and not just historic data	> Future trends used in long term plans and forecasts	>



	<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 12	Universities have adequate systems and processes in place to capture and maintain appropriate and meaningful data to support workforce planning. (Auditor General of Queensland, 2006)	> Review of HR system, including clear statements of assumptions and formulas.	> There are adequate systems and processes in place to capture and maintain appropriate and meaningful data to support workforce planning.	>
PR 13	Identifiable risks and impacts are considered and managed to maximise efficiency and effectiveness, ensure success and avoid, minimise or control adverse impacts.	> Identify that risks associated with workforce planning processes and initiatives have been documented and risk mitigation strategies adopted	> Risks associated with workforce planning processes and initiatives have been identified, documented and managed. Best practice: Workforce risk plans completed on an annual basis at all levels of the University and reviewed quarterly. Minimum standard : Workforce risk plans undertaken at a top level annually.	>
PR 14	There is monitoring and reporting of progress towards organisational workforce planning objectives, including those relating to EEO.	> Identify that there is a system and process to monitor progress of workforce planning initiatives.	> There is monitoring and reporting of progress towards organisational workforce planning objectives. Progress is monitored regularly and reported quarterly at a university wide level.	>



## 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	Workforce data that is accurate and up to date (adapted from HEFCE, 2005) and available in an accessible way.	> Review of human capital database, including clear statements of assumptions and formulas.	> Best practice: workforce data is updated in real time and is accessible to managers when required. Min std: Inaccuracies in data are identified and the limitations described.	>
OP 2	Clear projections on future staffing and the composition of the workforce (adapted from HEFCE, 2005 and Dolenko, 1990)	> Review of the workforce planning output	> There are clear projections on future staffing and the composition of the workforce	>
OP 3	A workforce plan that meets relevant EEO requirements (adapted from HEFCE, 2005)	> Review of the workforce planning output	> A workforce plan that meets relevant compliance requirements. For example, Workforce plans include compliance with EEO requirements	>



	<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 4	A workforce plan that has strategies for improving diversity in the University (adapted from HEFCE, 2005)	> Review of the workforce planning strategy and policy	> A workforce plan that has strategies for improving diversity in the University.	>
OP 5	There are equal opportunity policies and procedures supporting diversity (HEFCE, 2005)	> Review of the workforce planning strategy and policy	> Best practice: Equal opportunity policy is reflected in plans at all levels. Minimum standard: EEO policies are reflected in University wide, high level workforce plan.	>
OP 6	Workforce data informs succession planning (adapted from HEFCE, 2005)	> Review linkage between workforce planning data and succession planning	> Workforce data informs succession planning.	>
OP 7	A workforce plan that has strategies for meeting the business objectives of the University.	> Review of the workforce planning strategy and policy and clear connection to university directions/objectives	> Best practice: Integrated workforce plans exist across the University targetted at achieving the business objectives of the university in the short and long term. Min standard: A university -wide workforce plan identifies the key workforce strategies required to meet the University's objectives.	>



## 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	There was alignment and clear evidence based linkage between the University's human capital and its strategic goals. (Adapted from Standards Australia, 2004)	<ul style="list-style-type: none"> <li>&gt; Identify corporate objectives and plans and documented evidence of the linkages to the University's human capital goals. This may include evidence of recruitment, capability building and scenario planning.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Clear evidence of linkages. For example: Workforce strategies match job design, position profiles, selection criteria, learning &amp; professional development programs. Demonstrable progress towards workforce profiles detailed in workforce strategies (university specific, eg, age, qualification, EEO etc)</li> </ul>	>
OC 2	The University managed its human capital efficiently (adapted from Young, 2006)	<ul style="list-style-type: none"> <li>&gt; Review the extent to which metrics assess efficiency of human capital management initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Reports demonstrate efficiency of human capital management efforts</li> </ul>	>





	<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 3	The University's workforce plan enabled the delivery of organisational objectives. (Adapted from Auditor General of Queensland, 2006)	> Identify corporate objectives and documented evidence of the linkages to the University's human capital goals at short, medium and long term scales.	> Clear evidence of linkages, and clear evidence of short, medium and long term workforce plans	
OC 4	A highly engaged workforce, reflecting the desired capability profile and a university that is considered to be an employer of choice for high performing staff.	> Application rates for vacancies, staff engagement surveys, staff climate survey.	> A performance standard established by the University. For example: average application rate benchmarks in the top 50th percentile. Staff Engagement rate benchmarks in the top 50th percentile of universities	>
OC 5	The University had the right people in the right places at the right time and at the right price to execute its business strategy. (Young, 2006)	> Review the extent to which University and HR metrics, and qualitative analysis, assess effectiveness, efficiency and economy of workforce planning initiatives.	> Reports demonstrate extent of progress towards workforce planning objectives. For example, reduced time to fill vacant positions; retention rates at various levels	>



	<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 6	Workforce planning and decision making was supported by evidence based data (Adapted from HEFCE, 2005)	> Review of HR system and other data sources, including clear statements of assumptions and formulas.	> A performance standard established by the University. For example, the HR system provides timely and accurate data to support decision making	>
OC 7	The University demonstrated action towards its own equity and diversity objectives and targets (adapted from HEFCE, 2005)	> Review of equity and diversity policy, objectives and targets, and documented management reports of progress towards those objectives and targets.	> Reports demonstrate extent of progress towards workforce planning objectives; there is evidence these reports are reviewed.	>



## 8 Risk Criteria

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

- Insufficient workforce data limiting the ability to plan fully and effectively (HEFCE, 2005)
- Having, or being seen as having, poor representation of nominated target groups. (adapted from HEFCE, 2005). Targets are established at a University level.
- Reputational risk associated with the quality and quantity of staff
- Inability to achieve strategic goals
- Inability to achieve operational goals
- Inefficient, ineffective management of human capital
- A workforce that is inflexible and does not have the necessary capabilities to deliver future services (i.e. teaching, research or administration) necessary for the University to achieve its goals
- An inability to attract and retain high quality staff.
- Learning and development resources being funnelled to activities which do not support the strategic goals of the institution.
- Under-utilisation of staff
- Increased staffing costs
- Loss of corporate knowledge as a result of key staff departures.
- Increased reliance on a contingent work force.
- Uncompetitive remuneration structures.
- Inability to meet community and/or government expectations re number and/or quality of graduates.
- Lack of preparedness for operating contingencies.
- Inability to plan (adequately) for associated capital expenditure.
- Inability to adapt to new or changing conditions.
- Inability to match staff numbers to fluctuating student load while maintaining quality



## 9 Date of Application

## 10 Review Date

## 11 Contributors

Australian National University  
Charles Sturt University  
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University of New England  
University of Newcastle  
University of the Sunshine Coast  
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## 12 Acknowledgements

The Higher Education Funding Council for England (HEFCE)  
HR Council for the Voluntary & Non-profit Sector, Ontario, Canada  
Standing Conference of Principals (SCOP) Personnel Network, UK  
Universities Personnel Association (UPA), UK



## 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. (The 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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