

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

## ***Standard: 5.0***

### ***Activity Area: Performance Management***

Performance Management, in a University context, is a continuous process of aligning and improving staff capabilities to achieve the organisation's goals..

In this context managers and staff are both accountable for ensuring performance objectives are achieved. In particular managers must create the right conditions for performance to occur.

The process involves reviewing past performance and learning from the experiences; establishing and reviewing performance objectives in measurable terms, and in discussing career development issues.

The primary focus of performance management is on facilitating performance in the current role, (rather than historical performance or succession planning/future roles). A secondary focus is career development.



Performance Management is focussed on providing immediate, ongoing recognition, feedback and support for staff to achieve outcomes consistent with the University's goals.

Performance Management is linked to a number of other human resource activities\*:

- Business Planning & Review
- Management support for staff
- Budgets
- Remuneration, Benefits and Rewards
- Learning & Development
- On the job learning and targeted development for the current role
- Organisational or generic competencies
- Occupational H & S
- Equity
- Managing underperformance
- Succession Planning
- Promotion

\* These activities are not specifically covered by this standard

The work plan/performance objectives are written documents jointly prepared by the employee and their supervisor.

Performance reviews are systematic; based on **current job descriptions** and work plans – this is critical because often position descriptions are significantly out of date. The Performance Management review process provides an opportunity to discuss the PD and bring it up to date.



The principles of the process (as opposed to the content) include:

- An annual\* formal discussion with documented actions and outcomes. The actions and outcomes should be measurable and be able to be reported on and assessed at the next review.
- Ideally, better management practice includes regular informal meetings between employee and supervisor to discuss and monitor work progress and performance. Any performance issues can therefore be identified and managed in a timely and constructive manner.
- An employee should at all times be able to relate their activities to the strategic/business plan of the business unit.
- There needs to be a review process to resolve conflict between the employee and their supervisor on job performance.

\* These can be conducted at shorter intervals



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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 Performance Management. The Standard, and any self-assessment or audit process, facilitates an integrated approach to the achievement of a University's strategic and staff retention 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 performance management 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 Performance Management 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 facilitate a clear link of individual performance and development planning to the goals and priorities of the work unit/department and the University more broadly (HEFCE, 2005; and adapted from Monash, 2006).
- (ii) To ensure that Performance Management systems are designed to clarify objectives, assist in the management of individual employee performance, and plan relevant learning and development programs.
- (iii) To ensure there is an equitable and transparent framework for regular, timely and constructive discussions between supervisors and employees.
- (iv) To ensure Performance Management provides a positive framework within which staff can systematically reflect upon their professional and career development.

#### Operational Objectives:

- (v) To ensure that Performance Management processes complement other management practices e.g. remuneration, job evaluation, learning and development, etc.
- (vi) To ensure that managers and staff are clear about what is expected from them (HEFCE, 2005) and the support they are each going to give/receive to achieve their goals.
- (vii) To ensure that managers and supervisors manage superior performance appropriately and effectively (adapted from HEFCE, 2005).
- (viii) To ensure managers effectively identify and address areas requiring performance improvement (adapted from HEFCE, 2005).
- (ix) To ensure Performance Management systems encompass both regular informal processes which are embedded in day to day management and regular and less frequent structured, formal appraisal.
- (x) To provide the opportunity for career development discussions.





## 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	Performance objectives and targets demonstrably link to wider performance goals in the University. (adapted from HEFCE, 2005)	> Identify the links in a sample of Performance Management plans	> There is a demonstrated and documented congruence	>
IP 2	Objectives and targets have recognised milestones of achievement against them – with identifiable timescales. (HEFCE, 2005)	> Sample of performance objectives and targets	> A performance standard established by the University	>
IP 3	Managers and staff have the knowledge and skills to follow and utilise Performance Management procedures (HEFCE, 2005)	> Sample of staff and managers	> A performance standard established by the University	>
IP 4	There is a clear understanding of the aims of the Performance Management system (Standards Australia, 2004)	> Sample of staff and managers	> A performance standard established by the University	>



	<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 5	The Performance Management tool should be adapted to suit the environment in which it is implemented. (adapted from Standards Australia, 2004; and APSC, 2006)	> Review of the Performance Management tool and its associated policy, procedure and guidelines	> A performance standard established by the University	>
IP 6	Managers and staff understand that Performance Management is an ongoing process (CSU) and supports regular informal feedback complemented by formal review processes (APSC, 2006)	> Sample of staff and managers	> A performance standard established by the University	>
IP 7	The Performance Management system is supported and used by leaders and managers.	> Sample of staff and managers	> A performance standard established by the University	>
IP 8	There are readily available and updated policies, guidelines and procedures relating to Performance Management.	> Performance Management policy, procedure and guidelines	> A performance standard established by the University	>



	<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 9	There are appropriate systems in place to monitor and report on the use of the Performance Management regime	> Review the monitoring and reporting process	> * Who is responsible? * How often is a report prepared? * Who reviews it? * Is there an indication it has been reviewed?	>
IP 10	As a guideline, each manager should have a maximum of 10 people reporting to them for the purpose of Performance Management.	> Sample the number of direct reports.	> A performance standard established by the University	>
IP 11	There is a review process to resolve conflict between the employee and their supervisor on job performance.	> Identify the process review.	> There is a documented review process.	>



## 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	Managers are given appropriate advice, support and development on Performance Management (HEFCE, 2005) processes and how to best conduct the process to achieve meaningful outcomes	> Sample managers	> A performance standard established by the University	>
PR 2	There are appropriate links made between Performance Management and staff development at different levels in the University (e.g. by department, faculty and corporately) (HEFCE, 2005)	> Examine learning and development plans to establish whether there are development opportunities available in leadership, management or performance reviews; ensure a vertical spread of opportunity exists.	> A performance standard established by the University	>
PR 3	Superior performance is acknowledged and rewarded (HEFCE, 2005)	> Sample staff	> 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 4	New staff are inducted or "on-boarded" appropriately (HEFCE, 2005) which includes a discussion on agreed priorities and objectives.	> Sample staff	> A performance standard established by the University	>
PR 5	Staff and managers have the opportunity to provide feedback on the Performance Management process and are consulted in the review of policy, guidelines and procedures.	> Sample of staff and managers	> A performance standard established by the University	>
PR 6	Feedback from performance reviews and planning are used as a means of analysing learning and development needs, ensuring relevant activities are delivered (adapted from IIARF - Vito, 2007) and impacting organisational development/culture change initiatives.	> Sample Performance Management documentation	> 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 7	The Performance Management process develops the strengths of individual staff and addresses areas/skills that need improving	> Sample of staff and managers	> A performance standard established by the University	>
PR 8	Managers and supervisors know when misconduct, under-performance or non-performance trigger separate industrial relations processes outside Performance Management.	> Sample managers and supervisors	> 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	Individual staff have performance goals which reflect University/work area goals and priorities	> Identify the links in a sample of Performance Management plans	> There is a demonstrated and documented congruence	>
OP 2	With their managers, individual staff review their performance and set performance goals and any personal development plans.	> Sample of performance objectives, targets and development plans	> A performance standard established by the University	>
OP 3	Staff receive feedback, training, development, encouragement and support from their managers to achieve their agreed performance objectives.	> Sample of staff	> 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 4	There is a recognised process for reviewing performance against the objectives and targets contained in strategies and plans (HEFCE, 2005)	> Review the Performance Management process, and sample staff Performance Management documentation.	> A performance standard established by the University	>
OP 5	The results of monitoring and evaluating individual performance against plans are reported to relevant stakeholders in the University (HEFCE, 2005)	> Identify relevant report(s)	> <ul style="list-style-type: none"> <li>* Who is responsible?</li> <li>* How often is a report prepared?</li> <li>* Who reviews it?</li> <li>* Is there an indication it has been reviewed?</li> </ul>	>
OP 6	The data/information is available to monitor and evaluate individual performance effectively (HEFCE, 2005)	> Review sample of staff Performance Management documentation. For example, a University can demonstrate ongoing effort to define/measure performance and quality of work	> A performance standard established by the University	>
OP 7	Equity and diversity considerations are visible in the Performance Management processes.	> Review the Performance Management process, and associated policy and guidelines.	> A performance standard established by the University	>





## 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	Individual performance and development planning is linked to the goals and priorities of the work unit/department and the University more broadly (Monash, 2006)	> Identify the links in a sample of performance Management plans	> There is a demonstrated and documented congruence	>
OC 2	Performance Management systems have been designed to clarify objectives, assist in the management of individual employee performance, and plan relevant learning and development programs	> Performance Management policy and guidelines	> A performance standard established by the University	>
OC 3	There was an equitable and transparent framework for regular and constructive discussions between supervisors and employees	> Staff survey	> A performance standard established by the University	



	<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	Performance Management provides a positive framework within which staff can systematically reflect upon their professional and career development	> Staff survey	> A performance standard established by the University	>
OC 5	Performance Management processes complement other management practices eg remuneration, job evaluation, learning & development, etc	> Review documented linkages of performance Management processes with University's other talent Management strategies	> There is a demonstrated and documented congruence	>
OC 6	Managers and staff are clear about what is expected from them (HEFCE, 2005) and the support they are going to give/receive to achieve their goals	> Staff survey	> A performance standard established by the University	>
OC 7	Managers and supervisors manage superior performance appropriately and effectively (HEFCE, 2005)	> Staff survey	> A performance standard established by the University	>



	<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 8	Managers effectively identify and address areas requiring performance improvement (adapted from HEFCE, 2005)	> Staff survey	> A performance standard established by the University	>
OC 9	Performance Management systems encompass both regular informal processes which are embedded in day to day Management and regular and less frequent structured, formal appraisal	> Performance Management policy and guidelines	> A performance standard established by the University	>
OC 10	Performance Management provides the opportunity for career development discussions	> Sample record of performance discussions	> 90% compliance	>



## 8 Risk Criteria

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

- Lack of clarity about roles and responsibilities (adapted from HEFCE, 2005)
- Inadequate communication, guidance and support provided to staff by line managers (adapted from HEFCE, 2005)
- Underperformance not being effectively/consistently identified, or not being addressed.
- Managers lacking the skills and confidence to provide effective, timely and constructive performance feedback
- Staff learning and development needs not accurately identified, leading to ineffective use of financial resources
- Inadequate and misdirected reward and recognition strategies and opportunities
- Staff effort directed to wrong priorities
- Individual and/or team activity that does not provide a tangible link to organisational objectives.
- Failing to meet reasonable individual, team or organisational objectives.
- Challenges with staff retention caused by the lack of a performance culture.
- Misalignment between critical roles and the capacity of individuals to perform these roles
- Access to appropriate learning and development initiatives not being facilitated.
- Stress and absence, if Performance Management was poorly handled.
- Performance Management practices that are not in accordance with organisational policy and/or guidelines.
- Stagnating organisational performance.
- Staff who are not encouraged to be outcome oriented.
- The Performance Management process not being applied consistently or comprehensively across the university.
- Managers and staff not perceiving Performance Management activity as meaningful.
- Objectives of Performance Management that are not clear to stakeholders.
- Lack of staff motivation and engagement



## 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)



## 14 References

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