



Australian Government

Department of Education, Employment and Workplace Relations

PSPMNGT612A Review and improve business performance

Revision Number: 2

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Modification History

PSPMNGT612A Release 2: Layout adjusted. No changes to content.

PSPMNGT612A Release 1: Primary release.

Unit Descriptor

This unit covers review and improvement of business performance using a range of methods. It includes undertaking management audits, reviewing governance arrangements and benchmarking organisational performance.

In practice, reviewing and improving business performance may overlap with other generalist or specialist public sector work activities such as acting ethically, complying with legislation, applying government systems, managing change, managing diversity, etc.

This is a new unit of competency, added to the *Management* Competency field of the Training Package in 2004.

Application of the Unit

Not applicable.

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Not applicable.

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Elements are the essential outcomes of the unit of competency. Together, performance criteria specify the requirements for competent performance. Text in *bold italics* is explained in the Range Statement following.

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Undertake management audit	<p>1.1 <i>Scope</i> and objectives of the <i>management audit</i> are determined in consultation with key <i>stakeholders</i>.</p> <p>1.2 <i>Methodology, instruments, and baseline data</i> (to be used for comparison) are determined.</p> <p>1.3 Expert advice and assistance are arranged as required.</p> <p>1.4 Management data is gathered, collated and circulated to stakeholders for comment in accordance with determined scope and methodology.</p> <p>1.5 Results are analysed, strengths identified and recommendations formulated to <i>improve management performance</i>.</p> <p>1.6 A <i>management audit report</i> is prepared and presented in accordance with organisational requirements.</p>
2. Review governance arrangements	<p>2.1 <i>Legislation, policies, standards and guidelines</i> impacting on public sector governance are identified and key requirements are extracted.</p> <p>2.2 The organisation's <i>governance framework</i> is analysed to identify <i>parameters</i> and compare them to legislative and organisational requirements.</p> <p>2.3 Data is analysed to evaluate the organisation's <i>deployment</i> of its governance framework.</p> <p>2.4 Analysis is conducted of previous reviews, audits or self-assessments to see how the organisation has measured and analysed the effectiveness of the governance framework and how/whether the organisation has learnt from the experience.</p> <p>2.5 The effectiveness and compliance of the governance framework is determined, shortcomings are identified and recommendations formulated to incorporate learning from previous reviews and improve processes and practices where required.</p> <p>2.6 Recommendations are discussed with management and staff, feedback is incorporated and a report is prepared and presented in accordance with organisational requirements.</p>
3. Benchmark organisational performance	<p>3.1 A <i>benchmarking model</i> is designed in accordance with the organisation's core business, functions and desired objectives/outcomes.</p> <p>3.2 <i>Research</i> is conducted to establish <i>benchmarks</i> for the measurement of organisational performance in <i>key result areas</i> determined by the organisation.</p> <p>3.3 A process is established and managed to conduct the benchmarking exercise.</p> <p>3.4 Networking and consultation are undertaken with staff in the</p>

ELEMENT**PERFORMANCE CRITERIA**

areas to be benchmarked, to gather information and provide support to ensure outcomes are valid, reliable and useful for improving performance.

3.5 Data is gathered and analysed against benchmarks, and results are discussed with staff and management and presented in accordance with organisational requirements.

3.6 Benchmarking report is written to meet audience needs and contains recommendations for improvement and an implementation model that meets organisational requirements.

Required Skills and Knowledge

This section describes the essential skills and knowledge and their level, required for this unit.

Skill requirements

Look for evidence that confirms skills in:

- applying legislation, regulations and policies relating to governance, benchmarking and management audit
- planning and project management of reviews
- collecting, recording and collating information
- scheduling meetings/sessions
- undertaking research and analysis
- using records management systems
- interpreting organisational information
- using communication/consultation with a range of diverse stakeholders
- responding to diversity, including gender and disability
- writing recommendations/reports using formality of expression
- using numeracy for data analysis
- applying public sector procedures relating to occupational health and safety and environment and sustainability

Knowledge requirements

Look for evidence that confirms knowledge and understanding of:

- legislation, regulations, policies, procedures and guidelines relating to public sector governance benchmarking and management audit
- principles of management audit, benchmarking, compliance assessment, self-assessment and governance arrangements
- organisational structure and lines of management authority
- statutory and reporting requirements
- public sector standards including ethics and security relating to organisational information
- project management
- equal employment opportunity, equity and diversity principles
- public sector legislation such as occupational health and safety and environment and sustainability

Evidence Guide

The Evidence Guide specifies the evidence required to demonstrate achievement in the unit of competency as a whole. It must be read in conjunction with the Unit descriptor, Performance Criteria, the Range Statement and the Assessment Guidelines for the Public Sector Training Package.

Units to be assessed together

- *Pre-requisite* units that must be achieved prior to this unit: *Nil*
- *Co-requisite* units that must be assessed with this unit: *Nil*
- *Co-assessed units* that may be assessed with this unit to increase the efficiency and realism of the assessment process include, but are not limited to:

PSPETHC601B Maintain and enhance confidence in public service

PSPGOV601B Apply government systems

PSPGOV602B Establish and maintain strategic networks

PSPLEGN601B Manage compliance with legislation in the public sector

PSPMNGT602B Manage resources

PSPMNGT604B Manage change

PSPMNGT605B Manage diversity

PSPMNGT608B Manage risk

PSPMNGT609B Formulate business strategies

PSPMNGT610A Manage public sector financial resources

PSPMNGT611A Manage evaluations

Overview of evidence requirements

In addition to integrated demonstration of the elements and their related performance criteria, look for evidence that confirms:

- the knowledge requirements of this unit
- the skill requirements of this unit
- application of the Employability Skills as they relate to this unit (see Employability Summaries in Qualifications Framework)
- evaluation and improvement of business performance in a range of (3 or more) contexts (or occasions, over time)

Resources required to carry out assessment

These resources include:

- legislation, policy, procedures and protocols relating to public sector governance, benchmarking, and management audit
- benchmarking and audit tools and techniques
- case studies and workplace scenarios to capture the range of situations likely to be encountered when evaluating and improving business performance

Where and how to assess evidence

Valid assessment of this unit requires:

- a workplace environment or one that closely resembles normal work practice and replicates the range of conditions likely to be encountered when evaluating and improving business performance, including coping with difficulties, irregularities and breakdowns in routine
- evaluation and improvement of business performance in a range of (3 or more) contexts (or occasions, over time)

Assessment methods should reflect workplace demands, such as literacy, and the needs of particular groups, such as:

- people with disabilities
- people from culturally and linguistically diverse backgrounds
- Aboriginal and Torres Strait Islander people
- women
- young people
- older people
- people in rural and remote locations

Assessment methods suitable for valid and reliable assessment of this competency may include, but are not limited to, a combination of 2 or more of:

- case studies
- portfolios
- presentations
- projects
- questioning
- scenarios
- authenticated evidence from the workplace and/or training courses

For consistency of assessment

Evidence must be gathered over time in a range of contexts to ensure the person can achieve the unit outcome and apply the competency in different situations or environments

Range Statement

The Range Statement provides information about the context in which the unit of competency is carried out. The variables cater for differences between States and Territories and the Commonwealth, and between organisations and workplaces. They allow for different work requirements, work practices and knowledge. The Range Statement also provides a focus for assessment. It relates to the unit as a whole. Text in ***bold italics*** in the Performance Criteria is explained here.

Scope may include:

- management behaviours and practices
- staffing
- staff training
- practices
- procedures
- processes
- policies
- guidelines
- work instructions
- complaints mechanisms
- planning
- financial management
- financial controls
- management systems and processes
- administrative policy and procedures
- environmental policy and procedures
- resource usage
- written routines for quality and how they are followed
- roles and responsibilities
- lines of accountability
- business practices
- service delivery
- occupational health and safety
- security
- diversity
- risk management
- work flows
- critical incidents

Management audit is:

- an activity designed to gauge whether an organisation is operating as effectively, efficiently and economically as possible
- an extensive examination of an organisation's corporate structure, administrative policies, processes and procedures, as well as its staffing patterns and financial practices. It is broader in scope than a financial audit

Stakeholders may include:

- all those individuals and groups both inside and outside the organisation that have some direct interest in the organisation's behaviour, actions, products and services, including:
- boards of management
- clients
- community organisations
- contractors
- employees at all levels of the organisation
- government
- Ministers
- other public sector organisations
- service providers
- suppliers
- the public
- union and association representatives
- volunteers

Methodology and instruments may include:

- specialist management audit expertise
- consultation
- observation
- analysis of written information from:
- files and business systems
- surveys
- questionnaires
- focus groups
- compliance assessment
- organisational self-assessment
- business process reviews
- client feedback
- stakeholder input

Baseline data may be:

- internal
- external
- historical data
- annual reporting data
- annual reports to Parliament
- ministerial portfolio statements
- human resource data, such as exit interview data, turnover, days off
- from strategic and operational plans
- organisational goals and outputs
- benchmarks
- qualitative/quantitative
- legislative requirements

- related to incident reports
 - results/action on previous management audits
 - public sector standards such as those for ethics, fraud control, security management, risk management
 - government priorities
 - whole-of-government outcome indicators
 - output performance measures
- Improved performance*** may be achieved through
- modified business processes, procedures and practices
 - staff training and development
 - organisational design/development
 - staff working collaboratively to modify structures, practices and procedures
 - cultural change
 - incremental changes
 - cycle of continuous improvement
 - innovation
 - policy changes
- Management audit report*** may include:
- implementation methodology/plan
 - resource requirements
 - timeframes
 - performance indicators
 - critical success factors
- Legislation, policies, standards, and guidelines*** may include:
- public sector management acts
 - financial management acts
 - audit acts
 - public sector standards
 - fraud control standards
 - government security standards
 - risk management guidelines
 - Australian standards, such as accounting standards, audit standards, risk management standards, knowledge management standards, quality standards
 - ethics and accountability standards
 - environmental and sustainability standards
- Governance framework*** may include:
- structures, practices and management procedures to ensure that an entity adheres to legal and regulatory requirements and optimises organisation performance
 - a combination of legal and better practice organisational structure and management requirements aimed at facilitating accountability and improving performance
 - how an organisation is managed - its functional structures, culture, policies and strategies
 - regular/ongoing management audit to ensure organisation

- continues to meet governance requirements
 - integrated (with other agencies) governance arrangements in a shared services environment
- Parameters** may include:
- organisational structure and culture
 - organisational practices and procedures
 - roles and responsibilities
 - management arrangements/hierarchy
 - approval processes
 - legal and regulatory controls
 - financial procedures - methods of tracing and recording expenditures and revenue
 - accountability systems and controls
 - transparency of processes
 - information systems and policies
 - procurement processes
 - risk management
 - security arrangements
 - human resource management processes
 - organisational performance
 - national business excellence frameworks
- Deployment of governance framework may include:
- staff knowledge of processes and requirements
 - implementation of governance processes and compliance with requirements
 - 'walking the talk'
 - collaboration across units/departments/agencies
- Benchmarking model** may include:
- a project team approach
 - comparison with similar organisation/function/processes
 - visit to and critique of a similar organisation
 - collaboration in 'critical friends' program
 - comparison with pre-determined standard
 - identifying and setting targets for improved performance
 - change management
 - resourcing commensurate with the size and perceived importance of the exercise
 - membership of benchmarking network or partnership
- Research** may include:
- key stakeholders
 - current literature
 - industry research
 - internal, local, national or international search for benchmarks
 - ensuring benchmarks are valid (comparing apples with apples) and reliable
 - identifying confounding variables

Benchmarks may include:

- internal standards/performance indicators
- historical data - past performance
- external standards
- industry standards
- best/leading practice standards
- national standards
- international standards

Key result areas may include:

- service delivery
- finance
- people management
- client service
- administration
- safety
- security
- fraud control
- business processes

Unit Sector(s)

Not applicable.

Competency field

Management.