

Price: AUD 35.00

TQCSI Human Resources Compliance Code: 2019



published by:

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Preface

This **Human Resources Compliance Code** was developed by TQCS International Pty Ltd (TQCSI). TQCSI is accredited by the Joint Accreditation System of Australia and New Zealand (JAS-ANZ) as a certification body for auditing and certifying organisations to management systems based on various ISO management system standards.

This **Human Resources Compliance Code**, known as **HR Compliance Code** or the **Code**, is intended to be used as a guide for organisations who are implementing a management system to ensure they respect legislation, agreements and conventions people work under. In addition, it is intended to provide guidance to smaller organisations such as contractors, sub-contractors and franchisees.

The **HR Compliance Code** is based on the fundamental principles described in ISO 9001 (quality management), ISO 10015 (Guidelines for competence management and people development), ISO 10018 (Guidelines on people engagement), ISO 22316 (Security and resilience), ISO 30405 (Guidelines on recruitment), ISO 30408 (Guidelines on human governance) and ISO 30409 (Workforce Planning). It is designed to sharpen the scope of present systems by extending the existing inventory from aspirational guidelines to concrete compliance to contemporary ‘Human Resources’ requirements.

The **HR Compliance Code** may be used to certify human resources management systems, and any other form of management system used to demonstrate compliance against people and culture principles and regulations.

The **HR Compliance Code** has been specifically prepared in response to a demand from governments and major customers for organisations to manage people, legislative compliance, ethical operations, cultural integrity and contractor control.

Organisations who are certified against the **HR Compliance Code** can demonstrate they:

- are aware of and abide by legislation, agreements, norms and conventions they work under
- act on those requirements to support their responsibility to their people
- operate workplaces that have transparent and compliant performance management systems, dispute resolution and grievance systems, and codes of behaviour
- provide an inclusive environment where people work without fear or intimidation.

Importantly, they also demonstrate the ability to reliably work with larger organisations who have achieved certification against the relevant international standards. Appropriately certified organisations may exhibit the **TQCSI Human Resources Compliance Code: 2019** certification mark.

The **HR Compliance Code** itself is represented by the bold type contained herein. To assist in its interpretation, an explanation of the relevance of each clause has been included in italics.

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1 Scope

This **HR Compliance Code** specifies management system requirements for use by organisations to provide objective evidence of their capability to meet contractual and legislative requirements relevant to Human Resources (HR) requirements.

It aims to provide a framework for a reliable and practical HR management system, anchored in providing guidance on:

- concepts, terms and definitions related to Human Resources;
- the background, trends and characteristics of Human Resources;
- principles and practices relating to Human Resources;
- integrating, implementing and promoting responsible behaviour throughout the organisation and, its sphere of influence;
- identifying and engaging with internal and external stakeholders; and
- communicating commitment, performance and other information related to Human Resources.

The **Code** is intended to encourage organisations to go beyond aspirational guidelines to legal compliance. In addition, recognising that while compliance is a fundamental duty of any organisation; an inclusive culture is also an essential part of sound HR people practice. The **Code** is intended to complement other instruments and initiatives for Human Resources, not to replace them.

2 References

This **HR Compliance Code** is structured similarly to the high-level structure (HLS) of all ISO management system standards facilitating integration with other management systems.

The **Code** is based on the fundamental principles described in ISO 9001 (quality management), ISO 10015 (Guidelines for competence management and people development), ISO 10018 (Guidelines on people engagement), ISO 22316 (Security and resilience), ISO 30405 (Guidelines on recruitment), ISO 30408 (Guidelines on human governance) and ISO 30409 (Workforce Planning).

3 Definitions

For the purposes of this **Code**, the following definitions apply:

- **Acceptable Convention:** a way in which something is usually done ethically.
- **Breach:** an act of breaking or failing to observe a law, agreement or code of conduct.
- **Contract:** tender/contract, project, purchase order or any other form of request for work to be carried out.

- **Culture:** a set of values, beliefs, underlying assumptions, attitudes, and behaviours, almost like an unwritten handbook of being an employee of the organisation; a description of what really happens on the ground vs aspirations.
- **Deviation:** the action of departing from an established course or accepted standard.
- **Human Resources:** term used to reference the function in an organisation that deals with the people and issues related to people such as compensation and benefits, recruiting and hiring employees, on-boarding employees, performance management, ethical employment practices, employment relations, training, organisational development and people and culture.
- **Manager:** owner or most senior manager in the organisation.
- **Normalisation of Deviance:** a tendency for people within the organisation becoming so much accustomed to a deviant behaviour that they don't consider it as deviant, even though they far exceed their own rules and standards.
- **Organisation:** company or organisation for which the management system applies.
- **People and Culture:** a term reflecting the evolution of HR to include traditional tactical/operational personnel practices and strategic cultural initiatives.
- **Procedure:** a written procedure, SOP, work instruction, method statement or other document used to direct employees in the conduct of an activity.
- **Project:** contract or assigned task which may be based in a new location.
- **Service Provider:** an entity, either single or collective, providing service to another organisation which has accountability for people practices (eg contractors, sub-contractors, franchisees etc).
- **Soft Law:** a wide range of other rules, the legally binding character of which has been deliberately and sometimes explicitly denied by their drafters, but which nevertheless cannot be considered mere moral or political directives.
- **Standard:** a measure, norm or model in comparative evaluations.

4 Context of the Organisation

4.1 Understanding the organisation and its context

The organisation must understand the nature of its workforce, appreciate its external and internal accountabilities and responsibilities, and ensure that they are met.

This requires a people governance system spanning all human participants and both formal and non-formal norms, methods, standards, etc. In addition, HR compliance must be seen as an operational as well as specialist HR responsibility (every manager is a HR manager).

Explanation: The HR governance context is the result of the influence of multiple actors. In addition, standards may be formal or informal. Given the external as well as internal nature of governance, governance standards are very diverse, ranging from legal regulations and soft

law, to business models, organisational structures and codes of conduct. Nonetheless, HR compliance is a critical component of human resources management and it's important that an organisation stay in compliance with the latest laws and regulations concerning employer-employee relationships. Moreover, culture is a critical enabler to ensure that compliance is maintained, sustained and improved.

Finally, organisations who are not in compliance with the latest human resources regulations and laws can face significant sanctions, morale and reputational issues.

4.2 Understanding the needs and expectations of external stakeholders

The organisation must demonstrate that it has the capacity to meet all of the people and culture related accountabilities and responsibilities required of it by the external environment and stakeholders (regulators, customers, clients, etc).

The organisation is to ensure that all legal and HR obligations to government agencies, clients, customers and franchisers are upheld by its own employees, external service providers and contractors.

Explanation: External stakeholders, such as legislators, a statutory commission or an ISO committee, create standards and norms that are applicable in organisations. This may also extend beyond formal "employees". From time to time, organisations may engage people and companies (service providers), to provide a range of services on a temporary basis, or to complement its permanent team of employees. Organisations must protect their customers and clients by ensuring that all workers, regardless of direct or indirect employment status, work within acceptable HR standards.

4.3 Understanding the needs and expectations of internal stakeholders

The organisation must demonstrate that it has the capacity to meet all of the people and culture related accountabilities and responsibilities required of it by the internal environment and internal stakeholders.

The organisation is to ensure it's working environment values the individual and group differences within its work force. All employees, service providers, contractors and sub-contractors must comply with the organisation's Policy Statements and procedures.

Explanation: Internal actors, such as managers, employees, service providers, Boards and other entities (as peers), create norms that are self-established by the organisation. To prevent diffusion and deviation from intent, policies must be clear and communicated effectively. Reach must extend to service providers.

4.4 Human resources management system

The organisation is to establish, implement, maintain and continually improve a human resources management system. The scope of the system is to be documented.

Documentation in the form of policies and procedures, or similar, are required to the extent necessary for the organisation to achieve compliance with this Code and its human resources management system requirements.

Explanation: A HR management system must be developed and documented to meet all requirements of this Code. The amount of documentation is a decision for the organisation, however legislation and regulations, including 'soft-law', must be considered.

In particular, organisations need to consider why they would not need to have documented policies, plans or procedures for (but not limited to): Equal Employment Opportunity, Equity and Diversity, Anti-Discrimination, Social Media, Indigenous Employment, Reconciliation Action Plan, Affirmative Action, Parental and Carer Leave, Bullying and Occupational Violence, Privacy, Conflict of Interest, Roster Control, Modern Slavery, Code of Conduct and Recruitment.

Once developed, the HR management system must be implemented and maintained as a dynamic and 'live' system, which continually improves.

5 Leadership

5.1 Commitment

The organisation is to document and communicate the mutual obligation of management and employees alike to approach their tasks with a standard of care that matches their duties of care and obligations imposed at law.

This commitment is to be clear to all service providers.

It must unambiguous and constantly reinforced through multiple channels.

Explanation: Although organisations may vary greatly in size or capability, they generally share the same accountabilities. Given the formal and informal characteristics of HR regulation this requires quite specific attention to prevent diffusion of purpose through imprecision, interpretation and layered communication failures.

This commitment should be expressed in concise, easily understood terms. The commitment should be repeated frequently and reinforced via induction, training, leader development, senior level communications and visual means.

5.2 HR Policy

The organisation is to define the organisation's people and culture commitment in the form of a HR Policy statement (or multiple policy statements) relevant to the organisation's goals, customer needs and expectations, and addresses Human Resources issues. The HR Policy (or policies) must be documented, available to the public upon request and understood by employees.

Explanation: The true concept of any management system is that all important aspects of management control which could affect the employment environment and legal responsibilities regarding HR should be documented and continually improve. Therefore, it is the responsibility of the Manager to document a HR Policy that can be interpreted by employees as the organisation's formal commitment to the management system that has been developed.

The HR Policy (or multiple individual policies) should refer to the organisation's overall, aspirational objectives for HR issues. It should express commitment to compliance with legal and regulatory requirements, understanding of the needs and expectations of employees, and commitment to continual improvement. The organisation should ensure that the HR Policy or policies, once developed, are understood by all employees. The HR Policy and other relevant policies should be available to the public through means such as tenders, websites and promotional literature.

5.3 Responsibility

The organisational structure of the organisation is to be described, particularly identifying who has functional responsibility for Human Resources duties, and the interrelation and reporting lines between management and employees.

Explanation: Employees are often uncertain of their particular responsibilities within an organisation or on a project. It is, therefore, necessary to develop an organisational structure showing the relative responsibilities and nominating those with HR responsibilities for the management system.

A brief description of each person's duties, responsibilities and authorities in the form of a job description is recommended but not mandatory, if it can be achieved by other means.

6 Planning

6.1 Legal Requirements

The organisation is to ensure it retains a sound understanding of relevant federal, state, territory and local government legislation and regulations, and any industry codes of practice or other requirements regarding people and culture.

The organisation is to ensure current legislation, regulations and other documented requirements of the organisation are readily available, including customer requirements.

The organisation is to ensure that the requirements under these regulations are met and demonstrated in the management system.

Explanation: The method the organisation uses to have access to and be notified of current and changed legislative or regulatory requirements should be clear. Changes to operational processes or cultural issues must be demonstrated.

6.2 Risks and opportunities

The organisation must proactively and regularly assess its organisational culture and risk to people from all significant deviations from its stated Human Resources standards.

The organisation must demonstrate the method used to ensure continued work life quality and compliance with any regulatory requirements.

Once assessed, risks are to be controlled such that the risk is reduced, and relevant employees are to be appropriately trained to deal with those risks.

The risk assessment process is to be documented and records of risk assessment are to be retained.

Explanation: Even the largest companies struggle with poor processes, rogue behaviour and unforeseen incidents. But these problems are not always the fault of design or ill intention. They often evolve naturally within companies over time. Culture can become corrupted without anyone noticing. This phenomenon is known as the normalisation of deviance. If not uncovered, they become ingrained and accepted by both the organisational structures and the organisation's culture.

There are various ways of conducting cultural assessment, the method chosen should be appropriate to the organisation's capacity and size. The results should produce insights into both short term and long-term courses of action.

6.3 HR objectives and targets

The organisation is to establish objectives for continual improvement of the HR management system.

Objectives and relevant targets are to be periodically reviewed by management and records are to be retained.

Explanation: In addition to the overall aspirational objectives described in the HR Policy Statement or statements, the organisation is to establish particular objectives and targets relevant to people and culture performance. These objectives and targets may arise from planning or through the culture assessment.

Action taken is to be recorded and the objectives and targets are to be regularly reviewed, at six monthly intervals as a minimum, to ensure performance progress.

The objectives and targets are to be recorded in some form of plan which is to be retained on file to verify continual improvement.

7 Support

7.1 Resources

Sufficient resources are to be allocated to ensure the management system can operate effectively.

Explanation: it is not acceptable to fail to deliver on a specific requirement due to insufficient resources. Accountabilities and responsibilities cannot be abrogated.

7.1.1 Culture

The organisation is to outline the steps it takes to ensure its culture values the individual and group differences within its work force.

The organisation is to define its desired vision, values and behaviours. They are to be unambiguous and aligned with employment instruments, policies and procedures, training and induction programs, reward and recognition processes, and leadership training.

Culture must be objectively measured and adjusted regularly. Results are to be communicated within the organisation.

Explanation: People are a valuable resource requiring: a meaningful role, economic security, skill to do their role and the provision of inclusive workplaces where people are respected and valued. An inclusive workplace makes diverse employees feel valued, welcome, integrated and included in the workforce instead of isolated. This is critical in achieving and sustaining workforce engagement.

7.1.2 People and ethics

The organisation is to develop an ethical compliance framework that includes a code of behaviour and confidential reporting lines - outlining unambiguously and clearly how people should act. The standards of behaviour must be designed to deter wrongdoing and promote and reinforce ethical behaviour.

Individual and collective accountability, non-negotiable actions, key risk areas and ethical standards must be documented. Ethical standards must be communicated to all employees, managers and service providers.

The organisation is to train employees and service providers to know, understand and support the ethical framework and undertake regular refresher training.

Explanation: The organisation shares responsibility with its people for creating and maintaining the organisation's reputation and work ethic. Even the smallest of companies can form a document (eg Code of Conduct) containing important information on expectations for employees. The document does not need to be complex or have elaborate policies. A code of conduct protects the business and workforce.

7.1.3 Engagement

The organisation is to have a system in place to ensure its people (including service providers) are competent for the roles they undertake, managed and led fairly, and made aware of their obligations to themselves and the organisation.

Explanation: Employee engagement is the emotional commitment the employee has to the organization and its goals. This emotional commitment means engaged employees actually care about their work and their organisation. Engaged employees lead to better business outcomes.

7.1.4 Remuneration, superannuation and taxation

The organisation is to ensure that wages, bonuses, superannuation, taxation requirements and benefits paid satisfy applicable statutory legal requirements, awards and/or remuneration agreed and promised to via Employment Agreements, contracts, terms and conditions or any other collective instrument.

Explanation: Awards and legal entitlements should be freely available for consultation and information. The organisation may establish a Remuneration Policy to describe how it remunerates its people. Any remuneration arrangement should be expressed in written terms.

7.1.5 Leave entitlements

The organisation is to ensure that leave provisions satisfy applicable statutory legal requirements, awards and/or leave agreed via Employment Agreements, contracts, terms and conditions or any other collective instrument.

Explanation: Leave entitlements should be freely available for consultation and information. The organisation may establish a Leave Policy to describe how it does this. Any leave arrangements should be expressed in written terms.

7.1.6 Worker requirements

The organisation must have instruments in place to ensure that all of its people are aware of their obligations to the organisation and to each other.

Explanation: These may be expressed in several ways (eg Position or Job Descriptions, Codes of Conduct, Employment Agreements). The method adopted should be practical regarding the organisation's capacity. Expectations should be explicitly expressed in behavioural terms; allowing no doubt as to what is required (eg Codes of Conduct, work checklists, employment contracts). Subjective descriptions should be avoided (eg Values).

7.1.7 Workplace practices

The organisation must ensure that its people are employed under fair working conditions and that it complies with the relevant employment legislation and working conditions as deemed by federal, state and territory governments, and standards required by other relevant bodies.

The organisation is to ensure work is effectively controlled so that the quality of work is maintained regardless of external influences and that Human Resources requirements are consistently met.

The types of control used in the organisation are to be documented.

Explanation: The types of controls used by the organisation could include documentation (eg procedures, checklists, codes of conduct, employment contracts, job descriptions). Other controls stem from leadership, training (on the job and formal training), communications (face to face meetings, meetings with the client or principal contractor), the use and maintenance of appropriate reporting and feedback loops, employee surveys, and monitoring (client or industry checks/inspections).

7.1.8 Infrastructure

The organisation is to ensure the infrastructure allows HR objectives to be met.

Explanation: The infrastructure required will vary enormously based on the organisation's size, function and capability. HR infrastructure may range from fully integrated E systems (one stop shops) to paper-based data bases. As a minimum, the infrastructure must be able to track, record and store HR information.

7.2 Competence

7.2.1 Awareness and knowledge

The organisation is to demonstrate how its people are informed of expected standards of behaviour, individual rights, personal entitlements, development opportunities and the general direction of the organisation. This is to be clear, easily accessible and regularly communicated.

Explanation: Awareness leads to action. To be effective in their efforts, people need to have broad requirements translated into actionable items.

Induction training for new employees is to be documented to ensure that employees have been trained in issues such as their Human Resources responsibilities and reporting procedures. Similar induction training is to be provided to sub-contractors, where appropriate.

7.2.2 Training and competence

Organisations must identify the competence requirements people need to achieve intended results. All employees are to be adequately qualified or trained and deemed competent to perform the function for which they are employed.

Explanation: It is necessary to identify what skills are required in the organisation. Competencies are the level people need to achieve to be successful in their jobs. Job competencies are not the same as job task. Competencies include all the related knowledge, skills, abilities and attributes that form a person's job. This can be used as a standard against which to

measure job performance as well as to develop, recruit and hire people.

Managers must be able to verify the competency of employees before tasks are allocated to those employees.

7.2.3 People development

The organisation is to provide a Learning and Development framework that will support its operations through continual development of the skills, knowledge and behaviours of its people.

All new employees and sub-contractors are to receive appropriate training.

Explanation: The organisation has an accountability to provide capable people with the knowledge and skill required to fulfil their roles and duties. Records are to be retained of qualifications (licences, etc) and training conducted by employees since joining the organisation. Evidence of training employees in Human Resources procedures must also be retained.

7.2.4 Employee performance review

The organisation is to provide for an effective, fair and equitable framework to improve employee performance and maintain a high standard of morale.

Issues of poor work performance are to be addressed regularly as part of ongoing performance management and the provision of appropriate training and supervision.

Explanation: Where job performance and job behaviours are not consistent with desired work standards, it is the responsibility of the organisation (manager) to counsel and, if need be, discipline the employee to achieve acceptable performance. Where circumstances cannot successfully be addressed via ongoing performance management or appropriate training, a clear and fair procedure is to be observed.

7.3 Communication and complaints

7.3.1 Dispute resolution

The organisation is to manage real or perceived breaches or deviations from its HR standards by providing a system for dealing with issues. The system is to be available to all parties for use as a frame of reference allowing the dispute to be settled at the earliest possible opportunity.

All managers and other employees are to be appropriately trained.

Explanation: The organisation is responsible for providing the best possible working conditions that include fair and impartial treatment of its employees. Part of this commitment is encouraging an open and communicative atmosphere in which any idea, suggestion, problem, complaint or question can be dealt with in an open, non-retaliatory and non-

confrontational manner.

The organisation's dispute resolution should be confidential, unbiased, supportive and without victimisation.

7.3.2 Grievance resolution

The organisation is to establish a system for dealing with grievances which allows for grievances to be settled at the earliest possible opportunity.

Explanation: Encouraging an open and communicative atmosphere in which any idea, suggestion, problem, complaint or question ("grievance") can be dealt with in an open, non-retaliatory and non-confrontational manner acts as a safety valve.

7.3.3 Whistle blower provisions

The organisation must establish a system for disclosure of improper conduct.

Explanation: A person, who believes on reasonable grounds, that an employee or the organisation has engaged in, is engaging in, or proposes to engage in, corrupt or detrimental behaviour, must be able to safely make a disclosure to senior management.

7.4 Document and record control

7.4.1 Document control

The organisation is to ensure relevant documented policies, procedures and forms are controlled so that only the current version is used by employees. All documents are to be reviewed and approved by management prior to issue.

Explanation: Maintaining appropriate documents relevant to the running of the organisation is good management practice that should be encouraged. Moreover, third party certification will be based on documentary evidence that the management system is being followed.

In order to ensure that employees are using and responding to current documentation, it is necessary to record the existence of all controlled documentation, together with the relevant issue status. It, therefore, becomes a responsibility to ensure that all controlled documents are maintained current.

To ensure that procedures represent the existing method of operation, it is also necessary to provide a method of amendment to existing procedures.

As organisations move to computerised documentation, the same philosophy must apply to ensure only the current, approved method is available to employees.

The organisation is to ensure that only authorised management are permitted to approve procedures and their amendment.

7.4.2 Records

Records are to be retained to demonstrate that processes and actions have been conducted in accordance with documented procedures.

These records are to be retained for sufficient time to ensure an appropriate investigation of Human Resources related problems can be undertaken.

Explanation: Records must be retained in an orderly and controlled fashion to prove the system is operating in accordance with the developed procedures and other instructions. This proof may be required by auditors to ensure that processes have been carried out as planned or, alternatively, may be a means of identification and traceability. It is, therefore, necessary to maintain records in a clear, concise and easy to use manner.

Records are to be retained on file or in archive for as long as they may be required. Legislation often governs the retention period for financial records but the retention period for other records is largely a decision for the Manager. However, it is accepted practice to retain records for at least the minimum time prescribed by the law.

8 Operations

8.1 Accountability and ethical behaviour

8.1.1 Accountability

The organisation is to clearly communicate individual and organisational accountability for HR operations. This must remove ambiguity emphasising individual, team and organisational accountability.

Service provider accountabilities are to be clarified.

Explanation: The organisation must provide an effective system to ensure that ethical standards are adhered to. These standards must be designed to deter wrongdoing and promote and reinforce ethical behaviour.

8.1.2 Ethical behaviour

The organisation is to establish standards of behaviour that are reasonably designed to deter wrongdoing and promote and reinforce ethical behaviour.

Explanation: The organisation shares responsibility with people and contractors for creating and maintaining the organisation's professional reputation and work ethic.

8.2 Service provision

Service providers are to be thoroughly screened at engagement for alignment to organisation certification and legislative and regulatory obligations. Terms and conditions are to be clearly defined at the commencement of any engagement.

Explanation: The demarcation between direct and indirect employment can be opaque. However, while responsibility may be devolved, accountability for people rarely is. Organisations who outsource services or accept outsourced work share mutual obligations. This challenge is met by transparency and clarity.

8.3 Social responsibility

The organisation is to ensure that its social responsibility to its workforce, and the community, is met through a range of internal processes and procedures, and external programs and initiatives.

The organisation is to ensure those initiatives are effectively communicated within the organisation.

Explanation: Every person has inherent dignity and value, and human rights help us to recognise and respect that fundamental worth in ourselves and in each other. All employees and sub-contractors must be treated with respect and dignity. No threat of violence, sexual exploitation, abuse or bullying and harassment (verbal or psychological) can be accepted.

8.4 Privacy

The organisation is to ensure it meets all requirements of national legislative and regulatory requirements for privacy.

Explanation: The organisation must demonstrate how it understands its privacy requirements and has processes in place to meet them. In Australia, those requirements are the National Privacy Principles.

8.5 Environment

The organisation must ensure that its people are committed and capable of supporting its environmental aspirations.

Explanation: An organisation cannot meet its environmental obligations without support from its people. Human commitment to environmental aspirations can be driven by awareness, communication, training and other means of immersion.

8.6 Workplace safety

The organisation is to provide a safe and healthy environment for all employees.

Explanation: As a minimum, this should be that systems are implemented for the prevention of occupational injury and illness including fire safety, emergency preparedness and response, industrial hygiene, lighting and ventilation, machinery safeguarding, reporting and investigation of occupational injuries and illness.

9 Performance Evaluation

9.1 HR management system performance

The organisation is to determine what HR performance criteria needs to be monitored and measured, and when and how results of that monitoring and measurement are to be analysed.

The organisation is to evaluate the performance of the HR management system and document the results.

Explanation: HR performance criteria relevant to the HR management system is to be monitored and measured. Examples of such criteria include engagements, inductions, leave entitlements, employee performance reviews, complaint handling, dispute and grievance resolution, legal compliance, HR objectives and targets, and continual improvement initiatives.

9.2 Internal audits

The organisation is to undertake regular internal audits of the HR management system to ensure continued compliance. Internal audits are to be conducted on all sections of the HR management system at least once per year.

Records of internal audits are to be retained.

Explanation: Internal audits of the HR management system, particularly addressing the clauses of this Code, must be conducted at least annually or as determined by the nature and criticality of the risks to the organisation. Internal audits may be split into two or more audits completed throughout the year. Worksheets or checklists must record objective evidence of audit findings which should then be used to base corrective action upon.

Other procedures should also be audited or reviewed to ensure they reflect the current process. These reviews should be conducted based on the risk of the process; some may be required six monthly or annually, others of lesser risk may only need to be reviewed 2, 3 or even 5 yearly.

Internal audit worksheets or checklists are to be retained as records to confirm that internal audits have been conducted. Similarly, evidence that procedures have been reviewed must also be recorded.

If checklists are used, continual improvement will rely on the questions being asked remaining current. Therefore, the checklist should be amended, as required, to ensure the questions remain relevant and that all sections of the management system are covered during internal audits.

Appropriate trained employees are to conduct internal audits. Alternatively, a contracted auditor may be used in lieu.

9.3 System review

Management is to review the HR management system on a regular basis to ensure its continuing suitability and effectiveness.

The system review is to consider:

- **action from previous system reviews**
- **information on performance of the HR management system**
- **the extent to which HR objectives have been met**
- **effectiveness of problem resolution and continual improvement**
- **internal and external audit results**
- **opportunities for improvement.**

Results of system review are to be documented.

Explanation: System review is a fundamental requirement of any management system. System review is normally achieved through a formal meeting with all relevant managers. System review is normally conducted on an annual basis but may be conducted more regularly.

Minutes of system review are to be retained as a record.

10 Improvement

10.1 Problem resolution

The organisation must establish a system to ensure employees are able to report HR issues to management in a timely manner.

Procedures must be documented to allow employees to bring these issues to the attention of management without fear of retribution.

HR related problems are to be identified and appropriate immediate action taken.

Records are to be maintained accordingly.

Explanation: Problems occur in every business and the function of a management system,

through continual improvement, is to reduce their frequency and impact. This is achieved by identifying responsibility for actions regarding problems and documenting what immediate action is required. When things go wrong, it is important to ensure immediate action is taken to resolve the issue.

10.2 Corrective Action

When management considers problems to be significant or repetitive, an investigation is to be conducted to identify the root cause of the issue and appropriate corrective action taken to reduce the likelihood of the issue occurring again. The investigation and results of corrective action are to be documented.

Explanation: At the core of any management system is the continual improvement process. Following the identification of significant problems or repeating (trending) problems, it is essential to conduct an analysis of those problems to identify the action required to enable continual improvement and prevent a recurrence. This action is called 'corrective action' and requires a determination of the root cause of the problem and action taken to address the root cause. Sufficient evidence of corrective action must be retained to prove the continual improvement process is working.

Appendix 1

Bibliography

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