

Policy and Guidelines for the Conduct of External Evaluation and Review

A supplement for Industry Training
Organisations

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Contents

Introduction	3
External evaluation and review	4
Evaluation tools for ITOs	5
Appendix 1: Evaluation Indicators for Industry Training Organisations – Overview	12
Appendix 2: How the ITO indicators relate to the key evaluation questions	14

Introduction

This document provides supplementary material to support industry training organisations to apply the evaluative approach to their particular role and functions in arranging training, setting standards and providing industry leadership. It is to be used in conjunction with NZQA's *Policy and Guidelines for the Conduct of External Evaluation and Review*.

This document is one of three sets of documentation prepared to support the evaluative approach to quality assurance in industry training organisations (ITOs). The others are web-based documentation: *Using Evaluation to Strengthen Organisational Self-assessment – a supplement for Industry Training Organisations* and *Evaluation Indicators for Industry Training Organisations*. ITOs and evaluators should consider this documentation in total when planning and undertaking self-assessment in ITOs.

Quality assurance environment

The NZQA Board set policies and guidelines for the conduct of external evaluation and review of ITOs on 27 May 2010, pursuant to NZQA's statutory role under Sections 6(a), 7(f) and 10 of the Industry Training Act (1992) to provide advice to the Tertiary Education Commission on the recognition and re-recognition of ITOs.

In the past, quality audits were usually conducted at five-yearly intervals to coincide with NZQA's advice to the Tertiary Education Commission about the re-recognition of each ITO. Self-assessment and external evaluation and review replace quality audits. In addition, the *Policy and guidelines for conducting external evaluation and review* replaces *Quality Assurance Standard for Industry Training Organisations*.

NZQA is looking to make statements of confidence in ITO performance and capability in self-assessment. However, where compliance issues are identified, the ITO will be responsible for taking any appropriate corrective action. In serious cases, more definitive action may be required, and the current levers may be used to manage any identified non-compliance with the relevant policy and regulatory positions. The key levers are: withdrawal of consent to assess unit standards on the Directory of Assessment Standards¹ and reporting non-compliance to the Tertiary Education Commission.

ITO purpose and direction

ITOs have defined statutory functions: industry skills leadership, setting skills standards, and managing arrangements for training.

ITOs have a unique role to make decisions based on industry knowledge and experience about the supply of, and demand for, relevant and high quality training opportunities that meet the needs of trainees, industries, and the wider economy.

¹ Unit standards are now registered on the Directory of Assessment Standards.

ITOs work with:

- Government – to inform its investment decisions by clearly communicating skills and training needs.
- Their industries – to assist with the development of strategic training plans and wider industry strategies.
- Trainees and potential trainees – to support them to fulfil their aspirations, and develop capabilities and skills that can be utilised in the workplace.
- Tertiary education providers – to help them ensure their programmes and offerings meet the needs of trainees, employers, industry and government.

ITOs are obliged to govern and manage themselves effectively and efficiently, be accountable to their funders and relevant stakeholders such as industry, business, employers and communities.

External evaluation and review

External evaluation and review is a periodic evaluation of an ITO to provide a level of confidence (judgement) about the ITO's performance in achieving relevant outcomes and its capability in using self-assessment to improve its performance. External evaluation and review uses a systematic process to make independent judgements about ITO performance and capability in self-assessment.

ITO performance

is the extent to which the training outcomes influenced by an ITO represent quality and value for employers, industry, trainees, and government. An evaluation of ITO performance involves answering questions focused primarily on the quality, relevance and value of training and how well the ITO meets the needs of these groups.

Capability in self-assessment

is the extent to which the ITO systematically uses self-assessment information to understand performance and bring about improvement. It reflects the extent to which the ITO effectively manages its accountability and improvement responsibilities.

External evaluation focuses most directly on the:

- extent to which the ITO systematically determines and addresses employer, industry, trainee and government needs
- key processes contributing to the achievement of outcomes for learners (through the ITO's responsibilities for industry leadership, standards setting and arranging training)
- quality and relevance of training and its impact on trainee progress and achievement
- achievement of outcomes for employers, industry, trainees, and government

- effectiveness of the ITO's self-assessment in understanding its own performance and using this for improvement.

Principles underpinning external evaluation and review

The four principles underpinning external evaluation and review in the rest of the tertiary education sector also apply to ITOs. These are explained in detail in the main external evaluation and review policy and guidelines document. They are:

- 'High Trust and High Accountability'.
- Quality As A Dynamic Concept.
- A Focus On Outcomes.
- Flexibility.

Evaluators should familiarise themselves with the intent of these principles. See pages 2-3 of the *Policies and guidelines for the conduct of external evaluation and review*.

Evaluation tools for ITOs

Key evaluation questions, ITO evaluation indicators and performance criteria rubrics are the main tools of external evaluation and review, leading to judgements about both ITO performance and capability in self-assessment.

Key evaluation questions

The key evaluation questions for ITOs provide a common platform for the external evaluation and review of the ITO regardless of their size and complexity.

These high-level, open-ended questions focus on the outcomes achieved and the key processes contributing to the outcomes.

Outcome questions

1. How well does the ITO understand and meet the needs of industry, learners and government?

Successful ITOs identify and balance current and future needs of their industry/ies and use this information to maintain the utility of training and standards for employers and learners. Systematic needs analysis helps to ensure that industry, learner and government needs are well understood and enables standards and qualifications to be designed to meet those needs.

2. What is the value of the outcomes for employers and their trainees?

Who are the important stakeholders, and how does the ITO know that their needs are being met through the achievement of identified, relevant and important outcomes?

Process questions

3. How well do trainees achieve?

Evidence of actual trainee achievement, including where possible the progress or value added component, is a primary indicator of an effective ITO. The achievement of trainees is important for ensuring trainees meet the needs of employers and industry.

4. How effective is the training arranged by the ITO?

ITOs play an important role in arranging training (on- and/or off-job) and the quality of these arrangements is important in achieving outcomes. The effectiveness of off-job training is the primary responsibility of providers. However, the ITO has an interest in the quality of provision through direct engagement with the tertiary education provider as well as through the relevant quality assurance body.

5. What is the quality of the assessment being undertaken towards industry standards and qualifications?

The maintenance of national standards is an important role of ITOs. The integrity of assessment is a major contributor ensuring consistency of standards within and between industries.

6. How well does the ITO's governance and management support the ITO to meet its statutory functions?

ITOs' organisational purposes and directions should be clear with strategic and business plans relevant to meeting identified needs of government, industry and learners.

Self-assessment

Throughout the process of answering the key evaluation questions, evaluators need to consider the quality and utility of the self-assessment information, its interpretation, and its use for bringing about improvement. The 'methodological question' in this regard is:

In this focus area, or for this key evaluation question, how well is self-assessment information used to understand ITO performance and bring about improvements?

Evaluation indicators for ITOs

The ITO evaluation indicators systematically set out the kinds of evidence that evaluators might use to answer the individual key evaluation questions, and are organised into the five key areas relating to ITO performance (including the ITO statutory responsibilities):

- ITO purpose and direction
- industry skills leadership
- setting skill standards and qualifications
- managing arrangements for training, and
- assessment.

Selection of focus areas

As with any tertiary education organisation, the selection of focus areas is crucial to the reliability and validity of judgements ultimately reached at organisation level. For medium to larger sized ITOs, multiple focus areas are required to ensure the depth and breadth of the external evaluation and review is sufficient to answer the key evaluation questions and reach robust judgements about the ITO as a whole.

The scope of external evaluation and review needs to be as representative as possible of the overall ITO responsibilities and business operations. In addition to their primary purpose of informing evaluative judgements, the ITO indicators can also be used as a guide to what might be relevant to include in the scope of the external evaluation and review.

For further information on selecting focus areas, please refer to the *Policies and guidelines for the conduct of external evaluation and review*.

Performance criteria rubrics

Performance criteria set out the definitions or explanatory guides for external evaluation and review teams to make judgements about ITO performance and capability on self-assessment.

Rubric 1: Criteria for Rating Answers to Key Evaluation Questions in ITOs

	Criteria for rating answers to key evaluation questions
Excellent	Performance is clearly very strong or exemplary in relation to the question. Any gaps or weaknesses are not significant and are managed effectively.
Good	Performance is generally strong in relation to the question. No significant gaps or weaknesses, and less significant gaps or weaknesses are mostly managed effectively.
Adequate	Performance is inconsistent in relation to the question. Some gaps or weaknesses. Meets minimum expectations, requirements or standards as far as can be determined.
Poor	Performance is unacceptably weak in relation to the question. Does not meet minimum expectations/ requirements.
Insufficient evidence	Evidence unavailable or of insufficient quality to determine performance.

Rubric 2: Criteria for Rating ITO Performance in Focus Areas

	Performance criteria for focus areas
Excellent	<ul style="list-style-type: none"> • Highly effective focus area in terms of both contributing processes and outcomes². • Comprehensively meets the needs of trainees/stakeholders. • Any gaps or weaknesses are not significant and are managed effectively.
Good	<ul style="list-style-type: none"> • Effective processes and outcomes. • Generally meets the needs of trainees and relevant groups. • No significant gaps or weaknesses, and less significant gaps or weaknesses are mostly managed effectively.
Adequate	<ul style="list-style-type: none"> • Inconsistently meets needs of trainees and relevant groups i.e. meets some needs and not others. • Some gaps or weaknesses that are being addressed effectively. • Meets minimum expectations/requirements³ as far as can be determined.
Poor	<ul style="list-style-type: none"> • Focus area is ineffective, or has serious weaknesses. • Weaknesses not being addressed effectively or still require significant improvement to meet minimum expectations/requirements.

² Refer *Evaluation indicators for industry training organisations* and *Using evaluation to strengthen organisation self-assessment: A supplement for industry training organisations*.

³ For example, many professional or registration bodies such as those for accountancy, nursing, medical radiation technology, and social work, have expected levels of performance or professional standards that graduates are required to meet.

Rating capability in self-assessment in a focus area

Once a judgement about ITO performance in a focus area has been reached, the following question is asked and the response rated using the criteria in Rubric 3:

In this focus area, how well is self-assessment information used to understand ITO performance and bring about improvements?

Rubric 3: Criteria for Capability in Self-Assessment in Focus Areas and Across Key Evaluation Questions

	Performance criteria for capability in self-assessment
Excellent	<ul style="list-style-type: none"> • Clear evidence of effective self-assessment⁴ used to gain a comprehensive (full) understanding of ITO performance and bring about wide-ranging, worthwhile improvements. • Any gaps or weaknesses in self-assessment are not significant and are being addressed effectively. • In this context, self-assessment is clearly part of a coherent and comprehensive approach across the ITO.
Good	<ul style="list-style-type: none"> • Good evidence of effective self-assessment used to understand ITO performance and bring about many worthwhile improvements. • No significant gaps or weaknesses in self-assessment, and less significant gaps or weaknesses are being addressed effectively. • In this context, self-assessment is part of a reasonably coherent and comprehensive approach throughout the ITO.
Adequate	<ul style="list-style-type: none"> • Self-assessment is of inconsistent quality and/or used inconsistently to understand ITO performance and bring about improvements. Some improvements may be occurring but somewhat haphazard. • Some significant gaps or weaknesses in self-assessment but being addressed. Not yet clear if improvements are sufficiently effective. • In this context, self-assessment is not part of a coherent and comprehensive approach throughout the ITO.
Poor	<ul style="list-style-type: none"> • Self-assessment is ineffective, or has serious weaknesses. • Weaknesses not being addressed effectively or still require significant improvement to meet minimum expectations.

⁴ Refer *Evaluation indicators for industry training organisations* and *Using evaluation to strengthen organisation self-assessment: A supplement for industry training organisations*.

Rubric 4: Criteria for Judgements about Organisational-level performance

Level of Confidence	Description of evidence about ITO performance at an organisational level
Highly Confident	<p>ALL of the following:</p> <ul style="list-style-type: none"> • Clear and comprehensive evidence that the ITO is meeting the most important needs of employers, industry, trainees and government. • Clear evidence of effective processes that contribute to training and other important outcomes. • No significant gaps or weaknesses.
Confident	<p>ALL of the following:</p> <ul style="list-style-type: none"> • Good evidence that the ITO is meeting many of the most important needs of trainees, employers, industry and government. • Good evidence of generally good quality in the processes that contribute to training and other important outcomes. • EITHER, the body of evidence may not be comprehensive and/or clear enough OR the magnitude or range of outcomes may not be sufficient to justify a rating of highly confident. • Areas of weakness are not serious and are effectively managed.
Not Yet Confident	<p>ALL of the following:</p> <ul style="list-style-type: none"> • At least some evidence that the ITO is meeting the most critical needs of trainees, employers, industry and government. • At least some evidence of adequate quality in processes contributing to learning and other important outcomes. • EITHER, evidence of important outcomes and/or quality contributing processes is too patchy to justify a rating of confident OR evidence is sound but shows several important (but not critical) gaps or weaknesses. • Adequate plans are in place or are being actively developed to address areas of weakness but needed improvements in outcomes, outputs and/or their contributing processes are not yet fully apparent.
Not Confident	<p>ANY ONE OR MORE of the following:</p> <ul style="list-style-type: none"> • Insufficient evidence that the ITO is meeting the most important needs of its trainees, employers, industry and government. • Evidence shows that some important needs are not being met to an acceptable level. • Plans to address gaps and weaknesses are insufficient, non-existent or not being given high enough priority.

Rubric 5: Criteria for Judgements about ITO-level Capability in Self-Assessment

Level of Confidence	Description of evidence about ITO capability in self-assessment
Highly Confident	<ul style="list-style-type: none"> • The ITO has effective⁵ self-assessment that evaluates all of its high priority training arrangements and activities on an ongoing basis, along with periodic reviews of other focus areas. • The quality and validity of the self-assessment information reviewed as part of the external evaluation and review is consistently high. • Findings are used insightfully to make comprehensive improvements.
Confident	<ul style="list-style-type: none"> • The ITO has a wide-ranging self-assessment system in place that evaluates the majority of its high priority training arrangements and activities on an ongoing basis, along with periodic reviews of other focus areas. • The quality and validity of the self-assessment information reviewed as part of the external evaluation and review is generally good, although there may be some important areas where quality and validity should be strengthened in order to help justify a highly confident rating. • Self-assessment is purposeful and largely genuine. Findings are used to make useful improvements.
Not Yet Confident	<ul style="list-style-type: none"> • The ITO has a self-assessment system in place that evaluates a reasonable proportion of its high priority training arrangements and activities. • The quality and validity of most of the self-assessment information reviewed as part of the external evaluation and review is generally acceptable to good, although some important areas need to be strengthened in order to help justify a confident rating. • There is evidence of at least some genuine effort to use findings to make improvements.
Not Confident	<ul style="list-style-type: none"> • EITHER, the self-assessment system is narrow and/or covers too few of the ITO's high priority training arrangements and activities OR • The coverage and prioritisation may be adequate, but the validity or utility of evidence or conclusions are too weak to usefully inform decisions or improvements. There are critical weaknesses evident in the ITO's capability in self-assessment.

⁵ Refer *Evaluation indicators for industry training organisations* and *Using evaluation to strengthen organisation self-assessment: A supplement for industry training organisations*.

Appendix 1: Evaluation Indicators for Industry Training Organisations – an Overview

Outcome indicators	
Learners/trainees	<ul style="list-style-type: none"> • Learners/trainees gain credible industry standards and qualifications
Industry	<ul style="list-style-type: none"> • The industry/ies served by the ITO retain, and advance skills and capability within their industry/ies • The ITO supports and is supported by its industry • Learning/training contributes to a satisfactory supply of skilled workforce
Process indicators	
ITO purpose and direction	<p>Governance and management systems and processes are effective and enable the ITO to:</p> <ul style="list-style-type: none"> • articulate a clear purpose and direction • undertake activities consistent with its purpose and direction • effectively anticipate and respond to change • allocate resources efficiently to support the development of a skilled and qualified industry.
Industry skills leadership	<p>The ITO:</p> <ul style="list-style-type: none"> • provides valid and/or effective advice to industry, employers and trainees regarding the skill development needs of its industry/ies • provides valid and/or effective advice to government and crown agencies, and tertiary education providers on matters relating to skill shortages, supply, and demand • ensures that skill development and training reflect skill needs and career paths in the industry.
Setting skill standards and qualifications	<p>Standards and qualifications:</p> <ul style="list-style-type: none"> • are current, credible, and meaningful, and reflect the skill requirements of industry • provide for pathways in employment and/or further training.
Making arrangements for training	<p>The ITO:</p> <ul style="list-style-type: none"> • develops an appropriate mix of training to ensure that trainees acquire relevant skills for the workplace

	<ul style="list-style-type: none"> • actively monitors the progress of trainees and supports them to succeed • ensures that the training meets the skills needs of employers and employees.
Assessment	<p>Assessment:</p> <ul style="list-style-type: none"> • in the workplace supports learning and provides evidence of achievement to the required standard • conducted in the workplace by accredited providers is valid, reliable, fair and transparent.

Appendix 2: How the ITO indicators relate to the key evaluation questions

Key evaluation question	Types of indicators that may be used to help answer the KEQs
<p>How well does the ITO understand and meet the needs of industry, learners and government?</p>	<p>The ITO:</p> <ul style="list-style-type: none"> • provides valid and/or effective advice to industry, employers and trainees regarding the skill development needs of its industry/ies • provides valid/and/or effective advice to government and crown agencies, and tertiary education providers on matters relating to skill shortages, supply and demand • supports and is supported by its industry • contributes to a satisfactory supply of skilled workforce.
<p>What is the value of the outcomes for employers and their trainees?</p>	<p>The ITO:</p> <ul style="list-style-type: none"> • ensures that skill development and training reflect skill needs and career paths in the industry • ensures trainees are gaining credible industry standards and qualifications • ensures industries served by the ITO retain and advance skills and capability within their industry/ies.
<p>How well do trainees achieve?</p>	<p>Trainees:</p> <ul style="list-style-type: none"> • achieve standards and qualifications that are current, credible and meaningful, and reflect the skill requirements of industry • standards and qualifications provide for pathways in employment and/or further training • progress is actively monitored and trainees are supported to succeed.
<p>How effective is the training arranged by the ITO?</p>	<p>Training:</p> <ul style="list-style-type: none"> • is an appropriate mix to ensure that trainees acquire relevant skills for the workplace • meets the skills needs of employers and employees.
<p>What is the quality of the assessment being undertaken towards industry standards and qualifications?</p>	<p>Assessment:</p> <ul style="list-style-type: none"> • in the workplace supports learning and provides evidence of achievement to the required standard • conducted in the workplace by accredited providers is valid, reliable, fair and transparent.

How well does the ITO's governance and management support the ITO to meet its statutory functions?

The senior managers and governors of the ITO:

- articulate a clear purpose and direction
- undertake activities consistent with the purpose and direction of the ITO
- effectively anticipate and respond to change
- allocate resources efficiently to support the development of a skilled and qualified industry.