



# HR Reporting & Metrics in Recruitment, Selection & Retention



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# Human resource management standards

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*Keynote Speaker*  
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ISO TC 260 Human Resource Management**

# Agenda

- ISO Standards explained
- ISO Technical specifications – metrics explained
- Current and future standards
- A point to consider
- Human Resource metrics explained
- Focusing on the objectives
- Where to start?
- ISO 30414 core content
- Typical answers to “Why ISO 30414?”
- Turnover and retention metrics
- The importance of position criticality
- The true value is in the detail
- Questions

# What is a standard?



- **Voluntary, consensus solutions**
- **Documented agreement on how a material, product, process, or service should be specified, performed or delivered**
- **Provide a common and repeatable basis for doing things and help bring 'order' to the world**

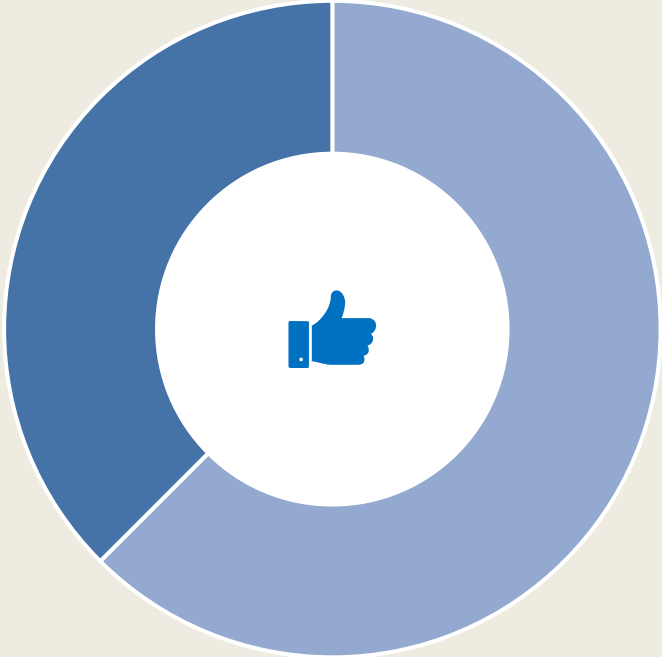


# Why do we need standards?

- **Build trust and recognition**
- **Reduce trade barriers**
- **Consumer confidence**
- **Harmonisation of products & services**
- **Access to global markets**
- **Enhance organisational efficiency**

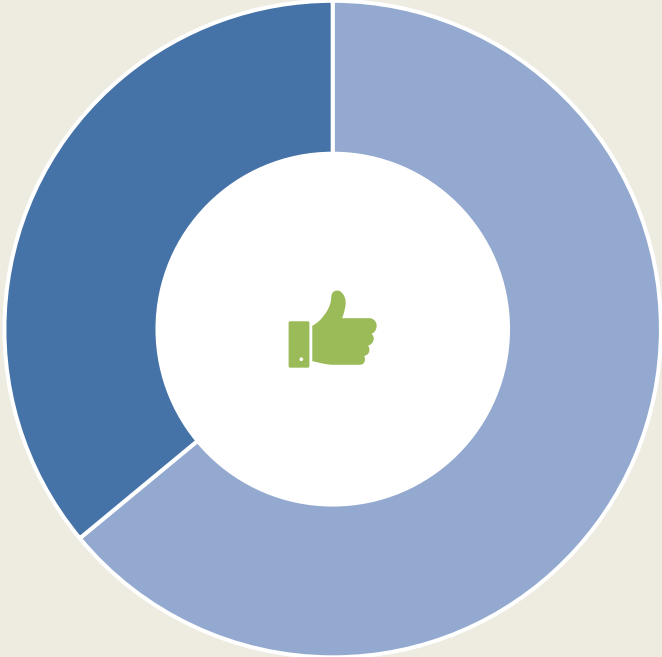
# What does the evidence tell us?

**37.4% productivity growth**



**A third (37.4%) of UK productivity growth can be attributed to implementing standards (BSI, 2015)**

**36% increased export U.K. SMEs**



**Small to medium size organisations are 36% more likely to export if they adopt standards (BSI, 2015)**

# What are ISO Human resource management standards

- Human Resource Management (HRM) Standards are guidelines for the application of HRM principles.
  - They include the best practice processes and measures.
- ISO Standards are voluntary. They do not include contractual, legal or statutory requirements. Voluntary standards do not replace laws, which take precedence.



# Technical Specifications for HRM metrics

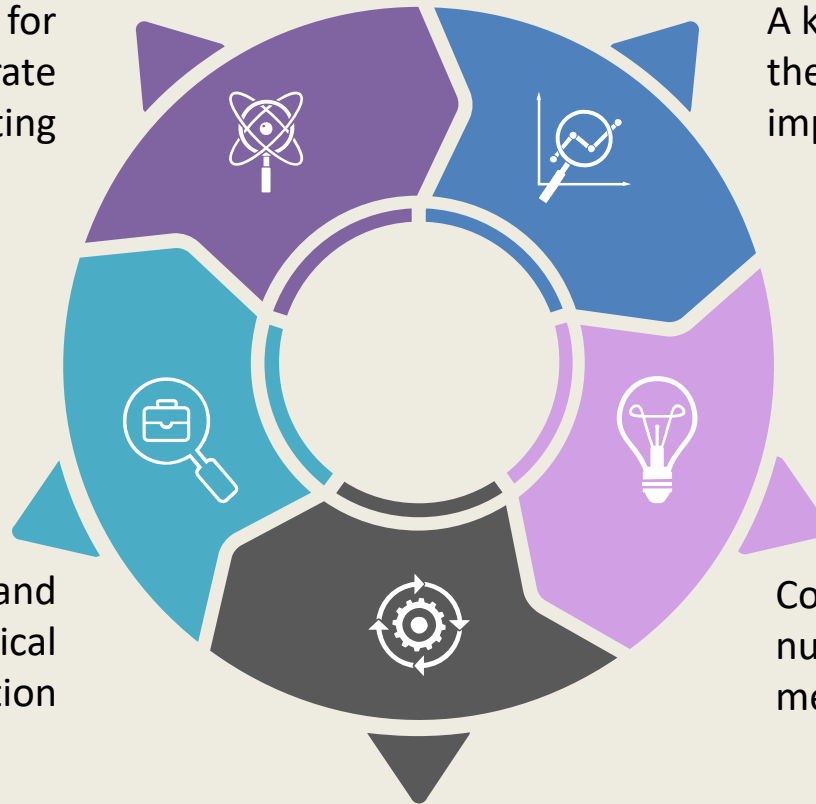
HRM Standards are supported by Technical Specifications (TS)

- TS's detail ways to measure the effectiveness of the implementation of these Standards and include:
- Description
  - Purpose
  - Formula
  - How to use
  - Intended user(s)
  - Contextual factors
  - Predictive factors

# Technical Specification Content Explained

Workforce data quality is essential for any level of meaningful accurate analysis and reporting

A key to successful reporting lies in the way the data is analysed. A key to productivity improvement is what is done with the result.



A report full of numbers in and of itself is simply historical information

Context is the story behind the numbers. The “why” of the answer the metric provides.

Many factors may have a significant impact on the measurement outcome.

# Current & Future Standards

## HRM Standards published or in process

### They include:

- Guidelines on Human Governance, Vocabulary
- Guidelines for Recruitment, Coaching
- Guidelines for internal and external human capital reporting
- Workforce Data Quality, Workforce Planning
- Sustainable employability management for organisations
- Employee engagement, Learning & development,
- Diversity & inclusion, Allocation & timekeeping,
- Knowledge management
- Workforce Screening
- Ageing workforce

## Technical Specifications published or in process

### Technical Specifications (Metrics)

- Organisational culture, Organisational health safety & wellbeing
- Turnover and retention, Recruitment, Compliance
- Workforce availability, Costs, Skills & capabilities
- Productivity, Succession planning
- Impact of Hire Metric, Quality of Hire Metric
- Cost per Hire Metric
- Organisational health safety & wellbeing
- Turnover and retention, Recruitment, Compliance
- Workforce availability, Costs, Skills & capabilities
- Productivity, Succession planning

# Next level standards development

Standards Australia has just approved another Human Resource Standard development

The Standard is titled Guidelines for applying human resource metrics

The document will provide:

- A framework that allows Practitioners to understand the linkages between data, function and metrics and apply this knowledge to positively impact outcomes within organisations.
- an explanation of how to define metric types as Input, Process, Output or Outcome metrics; and how to use this information.
- An explanation of the impact of metric outcomes as economy, efficiency or effectiveness outcomes and how to apply this knowledge.
- A framework of existing data points to measure existing and potentially, future datapoints.
- A framework and explanation of the activity flow within an organisation - a "Workforce lifecycle".
- An explanation of the basics of applying root cause principals when using metrics as investigative tools.

# A point to consider



- Organisations need to develop consistent definitions of common language terms used on a day-to-day basis
- Does your organisation have a definition of what urgent means in a recruitment scenario or in a customer service scenario? Does every manager use these definitions?
- ISO 30400 Vocabulary gives consistent definition of Human resource terms and is a good place to start

# Before diving in let's talk Human Resource metrics

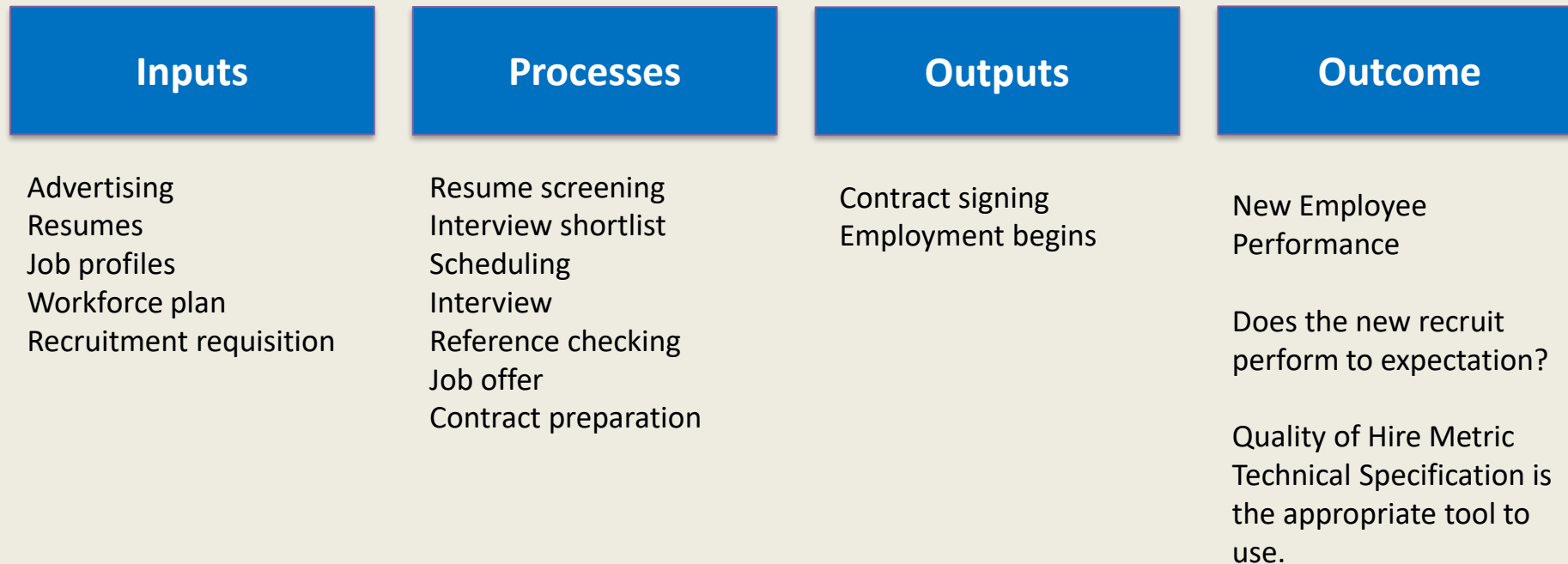
- Metrics need to be structured or categorised
- The Impact of actions taken once the metric is understood also need classification
- Those of you familiar with performance audit will recognise the following structures



Performance Measure Descriptor	
Objective	<p>Initial statement of an outcome/s intended to be achieved by an intervention.</p> <p><i>E.g. increase sales by XX%, launch a new product or service by Sept 20XX.</i></p>
Input	<p>Financial, human, and material resources that are mobilised for the implementation of an intervention.</p> <p><i>E.g., salary &amp; salary increases, staffing numbers, computer equipment, new software, training budget</i></p>
Processes	<p>Procedures and activities (the how) employed to convert inputs into outputs. This concept also covers the generation of management information and its use by managers.</p> <p><i>E.g. Hiring procedures for new staff, performance management procedures, authority &amp; decision making steps</i></p>
Outputs	<p>That which is produced or accomplished with the resources allocated to an intervention</p> <p><i>E.g. increase in product numbers and ranges, serving a wider audience or customer base (geographical or demographic), increase scope of job roles to reduce total job role numbers.</i></p>
Outcomes	<p>Change that arises from the implementation of an intervention and which normally relates to the objectives of this intervention. Outcomes include results and impacts. Outcomes may be expected or unexpected, positive or negative.</p> <p>These are usually regarded as the highest form of measure, i.e. the end of the chain in terms of value, as a cumulative measure of the impact of actions and interventions in a set of situational conditions (context).</p> <p><i>E.g. Changes in staff engagement and staff retention/turnover. Changes in sales levels or time to market for products/services.</i></p>

# Some of the elements to consider

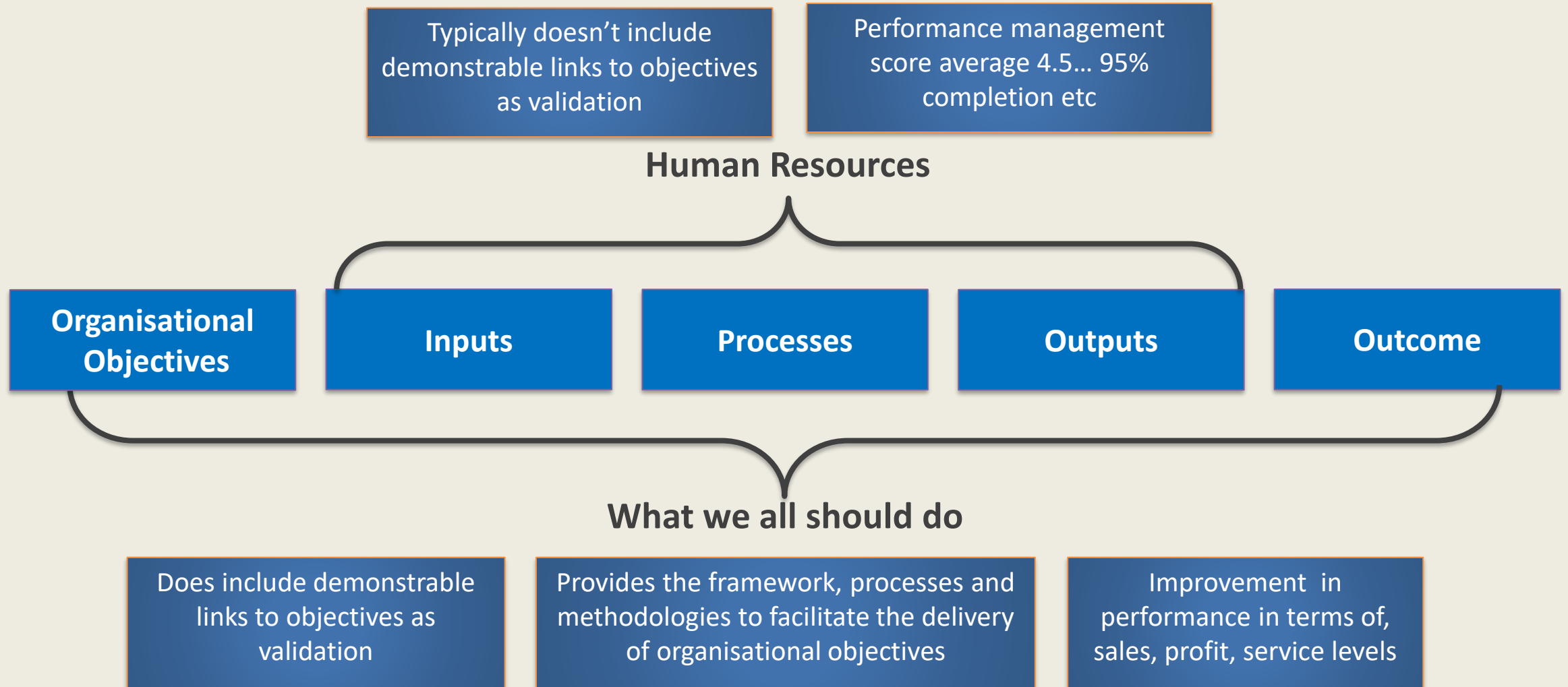
- Example: Recruitment activity





Performance Measure Focus Area	Term explanation in the context of Metrics Development
<p><b>Efficiency</b></p>	<p>Efficiency measures are typically about quantity (such as number of hires) and are often compared to another efficiency measure (such as cost) in a ratio (such as cost per hire) formula. An efficiency measure may also be compared to a strategic plan or any other benchmark to determine if the value is efficient or not. Issues of efficiency arise when an entity or intervention could increase the amount or quality of outputs or results without increasing the use of resources.</p> <p><i>E.g. An ongoing or repetitive activity, such as regular or volume recruitment.</i></p>
<p><b>Economy</b></p>	<p>Economy is typically about the total financial cost of an initiative or project and whether the outcome could have been achieved at lower cost. Issues of economy arise when an entity or activity could reduce the costs of inputs significantly for a given level of outputs or results.</p> <p><i>E.g. where significant investment or costs are involved, such as organisational reward and benefit programmes or investments in new HR self-service platforms.</i></p>
<p><b>Effectiveness</b></p>	<p>Effectiveness measures are typically about quality (such as the quality of hire) and are often based on surveys and qualitative data. Like efficiency measures, effectiveness measures may be compared to history, a strategic plan or other benchmark to determine if the observed value is effective or not. Issues of effectiveness arise when an entity or intervention does not produce the expected outputs, results or impacts.</p> <p><i>E.g. activities that are tied to increasing customer service, staff engagement levels, implementing change programmes, where complex human factors are involved.</i></p>

# Focusing on the objectives





# Where to start?

- AS ISO 30414:2020 - Guidelines for internal and external human capital reporting

...and....

- ISO 30435 :2023 Workforce Data Quality



# Why these two?

## **ISO 30414 –Human Capital reporting**

- gives you a broad picture of your Human Resources and workforce situation and allows you to focus on areas of concern.

## **ISO 30435 - Workforce Data quality**

- focuses on the quality of the data you are reporting and, basing decisions on.



# Core Content of AS ISO 30414: 2020

## 11 Core reporting areas covering 60 metrics

- Compliance & ethics
- Costs
- Diversity
- Leadership
- Organisational Culture
- Organisational Health, safety & wellbeing
- Productivity
- Skills & Capabilities
- Recruitment, Mobility & Turnover
- Succession Planning
- Workforce Availability

# Core Content of AS ISO 30414: 2020

The core content of the standard comprises 60 + human resource related key metrics, which are divided into eleven different areas

Human Capital Area	Scope and Content	Human Capital Area	Scope and Content
<b>Compliance and ethics</b>	_ 5 metrics, information on grievance filed and disputes referred to external parties	<b>Productivity</b>	_ 2 metrics, information on revenue per employee and human capital ROI
<b>Costs</b>	_ 8 metrics, information on workforce and hire costs	<b>Recruitment, mobility and turnover</b>	_ 15 metrics, information on number of candidates, turnover rate und time to fill vacant positions
<b>Diversity</b>	_ 5 metrics, information on age and gender of workforce	<b>Skills and capabilities</b>	_ 5 metrics, information on total developing and training costs and number of training hours
<b>Leadership</b>	_ 3 metrics, information on span of control and leadership trust	<b>Succession planning</b>	_ 5 metrics, information on succession readiness rate
<b>Organisational culture</b>	_ 3 metrics, information on retention rate and engagement	<b>Workforce availability</b>	_ 5 metrics, information on absenteeism, number of employees, and full-time equivalents
<b>Organisational health, safety and well-being</b>	_ 4 metrics, information on lost time for injury and number of occupational accidents	<ul style="list-style-type: none"> <li>→ 60 human capital related key metrics</li> <li>→ Differentiation according to internal/external reporting and organisational size</li> <li>→ Transparency on the human capital management of organisations</li> </ul>	

# Why implement 30414?

**You can only effectively manage what you can measure and compare**

- **ISO 30414 sets the framework for consistent measurement and comparison, leading to significant potential for Productivity improvements.**

**Until now HR has had no measurement standards**

- **ISO 30414 is the only international Human Capital Reporting Standard**
  - **Be a market leader and innovator**
-

# Why implement 30414?

## A review of global Human Capital data reporting totalled over 900 different metrics variations

- ISO 30414 streamlines the volume of data requirements for reporting
- ISO 30414 supports a consistent measurement approach allowing for comparison and benchmarking of performance across divisions, industries, locations, etc.

## Capital Markets and Investors are very interested in Workforce data insights

- ISO 30414 gives shareholders and, both current and potential investors, the confidence that the assets they are investing in, are best in class from a Human Capital Management perspective



## Sustainability / Environmental Social Governance (ESG) requirements

- By being compliant to the ISO 30414 standard, organisations can further position themselves in the context of sustainable corporate governance.

## Beat the rush!

- Human Capital Reporting is a mandated requirement of the Security and Exchange Commission (SEC) in the US.
  - The emerging trend is that investors and financial institutions around the globe will increasingly be requesting validated HCM data.
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# Turnover and retention metrics

- Headline turnover numbers are interesting but practically meaningless
- Consistent definitions and turnover and retention targets are necessary at a granular level
- Comparative analysis, internal by department, regional and external by sector should be encouraged
- Trends allow for predictions – predictions allow for interventions
- Context is everything

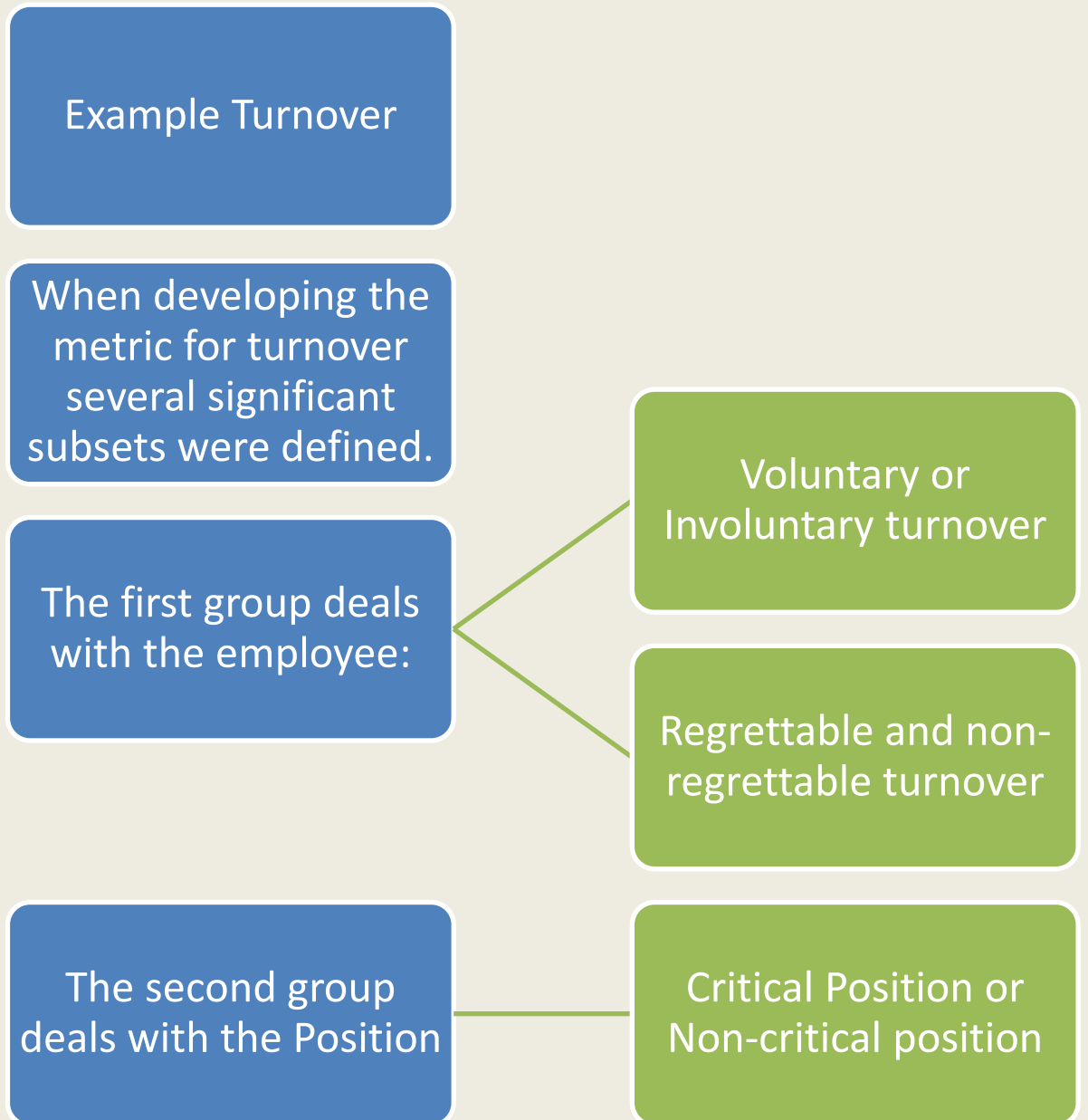
# ISO TS 30421 Turnover & retention

- Turnover and retention compares to breathing
- If you breath to much you hyperventilate and can die
- If you breath to slowly you can die from lack of oxygen
- As with breathing:
- If your turnover is too high, you probably have an issue
- However, if your turnover is too low this can also cause problematic stagnation

# The importance of position criticality

- In all organisations some positions are more critical than others
- An organisations must define Critical positions in context of the current situation
- A Critical position is defined as a job role that has a direct and significant impact on organizational outcomes.
- It is important to define and continually monitor and update critical positions

# The true Value is in the detail



# An example of the true Value is in the detail

- The current turnover is within the budgeted tolerance.
- However, what would you do if you discovered all current turnover in sales had moved from a stable position and was now Regrettable, Critical and Voluntary?
- Wouldn't you align this turnover with sales values over the period and report turnover differently?

	2022	2020	2019	2018
Company XYZ	Turnover %			
Sales	8	6	4	6
Production	10	10	12	13
Warehousing	6	6	5	6
Administration	2	3	2	2
	6.5	6.25	5.75	6.75

# Another question

- Have you already defined your organisations Critical positions?
- Do you breakdown turnover into sub-categories?
- Do you measure the Quality of your Hires?



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**Thank you for attending**

# **HR Reporting & Metrics in Recruitment, Selection & Retention**



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