

ISO 30414:2018

THE 11 CORE AREAS



HCM Metrics

People are one of the largest costs an organisation can have, but many businesses fail to adequately measure the true return on that investment.

At HCM Metrics, we can prove through data-driven decision making, the changes that can lead to organisational value



HCM Metrics

Guiding Principles of ISO 30414:2018

- An organisation must bring focus to Human Capital Management metrics as part of its strategy
- The alignment to the ISO standard needs to be pragmatic
- It must implemented within the organisation's operation model
- The organisation should undertake a cost/benefit analysis
- The ISO standard are relevant to all businesses of all sizes across multiple industries



Guiding Principles of ISO 30414:2018

- Having evidence-based measures means an organisation has insights that lead to better decision making
- Having standard measures across the same sectors means it is easier to compare organisations and provide valuable insights for stakeholders
- The important aspects of an organisation are identified and provide consistency and ease of understanding
- Board members and stakeholders have clarity and transparency in order to govern the business correctly



11 CORE AREAS FOR REPORTING

Compliance and ethics

Costs

Diversity

Leadership

Organisational culture

Organisational wellbeing, health and safety

Productivity

Recruitment, mobility and turnover

Skills and capabilities

Succession planning

Workforce availability

COMPLIANCE AND ETHICS

Compliance and ethics is a key area for many organisations and HR is often responsible for ensuring these areas are understood and implemented. To comply, the relevant metrics are:

- Grievances
- Disciplinary Actions
- Training Completed
- Disputes
- Audits

COST

Employee-related costs are an important focus for any organisation. It is a measurement that global organisations and investors are keen to understand, especially the ROI regarding productivity across geographical locations. Within this core area the focus is upon the following metrics:

- Overall workforce costs
- External employee costs
- Average of salary and remuneration
- Total cost of employment
- Cost per person hired
- Overall recruitment costs
- Turnover costs



DIVERSITY

Certain aspects of reporting diversity will vary by country, however this can still be measured and will lead to important information both internally and for external stakeholders.

The core area covers metrics for workforce diversity across the following headings:

- Gender
- Age
- Disability
- Other relevant factors of diversity such as minorities or vulnerable groups
- Diversity of the leadership team

LEADERSHIP

Leadership naturally affects organisational success. Selection of suitable and potential leaders is of paramount importance and within this core area the following is measured:

- Trust in the leadership of the organisation
- Span of control
- Leadership development



ORGANISATIONAL CULTURE

It is important that an organisation has a strong culture strategy in order to be both competitive within its industry and sector and also to attract and retain the best talent. The standard measures the culture across the following metrics:

- Employee engagement
- Satisfaction levels
- Commitment
- Labour turnover / retention rate

ORGANISATIONAL HEALTH, SAFETY AND WELLBEING

The standard focuses on the investment in health, safety and wellbeing, together with how it is prioritised. An organisation that puts people at its centre will receive greater commitment and loyalty. Metrics used within this core area consist of:

- Hours lost to injuries
- Occupational accidents
- Training participation
- Death in service

PRODUCTIVITY

HR sometimes needs to increase the trust of employees and the respect of employers. Specific evidence-based metrics will be highly beneficial to the HR function.

- EBIT
- Revenue
- Turnover and profit per employee
- Human capital return on investment



RECRUITMENT, MOBILITY AND TURNOVER

This is the measure of an organisation's capability in maintaining the continuity of its workforce. The ISO sees this as a simple process of in, through and out. There are no fewer than 14 metrics here. An example of these are:

- Recruitment of staff: length of time, number & quality,
- Mobility: internal candidates appointed, mobility rate
- Turnover rate of leavers
- Critical turnover rate

SKILLS AND CAPABILITIES

Skills and capability are an enormous advantage within a competitive arena. Employee learning is a key factor. Areas of focus include:

- Total costs invested within learning
- Number of employees receiving training
- Average hours training per employee
- Competency rate of the workforce



SUCCESSION PLANNING

Succession planning is closely linked to the sustainability of an organisation's workforce. The development of employees is critical for future success. Therefore identifying talent, nurturing it through development programmes and structuring it in readiness for future growth is essential. Metrics that cover this area include:

- Effectiveness of succession historically
- Coverage rate
- Readiness rate

WORKFORCE AVAILABILITY

The area for workforce planning is a critical area for the sustainability and continuity of the organisation. The information is valuable for both internal and external stakeholders and is the measure for both the composition and availability for the whole workforce. The measures associated here include:

- Number of employed staff
- Contingent workforce (Contracted and temporary)
- Absenteeism



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