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KPIs for HR Scorecard



% HR customer satisfaction with service levels # Satisfaction of employees with HR services # Employee complaints resolution timeliness % On-time delivery of HR service requests % HR operating expense rate # FTEs per HR department FTE $ Cost per hire $ Cost avoidance savings % HR budget variance # Open requisitions # Time to fill a vacant position % Performance appraisals completed on time % HR projects on time, on budget and according to specifications % HR processes optimised # HR employee engagement index # Ideas for new / improved service from HR employees # Certifications per HR employee # Training hours per HR full time equivalent (FTE) % HR employee satisfaction % HR employee turnover % HR customer satisfaction with service levels # Satisfaction of employees with HR services # Employee complaints resolution timeliness % On-time delivery of HR service requests % HR operating expense rate # FTEs per HR department FTE $ Cost per hire $ Cost avoidance savings % HR budget variance # Open requisitions # Time to fill a vacant position % Performance appraisals completed on time % HR projects on time, on budget and according to specifications % HR processes optimised # HR employee engagement index # Ideas for new / improved service from HR employees # Certifications per HR employee # Training hours per HR full time equivalent (FTE) % HR employee satisfaction % HR employee turnover % HR customer satisfaction with service levels # Satisfaction of employees with HR services # Employee complaints resolution timeliness % On-time delivery

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Executive Summary

Key Performance Indicators (KPIs) are today some of the most popular management tools. From the National Museum of Australia, to the First Bank of Nigeria, from the Panama Canal Authority to Rolls Royce, from the Ministry of Education in Brunei Darussalam to the American Medical Association, KPIs are used to understand, learn and improve performance across industries, departments and teams.

The use of KPIs in organizations and departments is enabled by other performance management tools, the most common and important being the Performance Scorecards and the Performance Dashboards.

The Scorecard represents a catalogue of the KPIs used by an organization or department to measure and manage performance at strategic, respectively at operational level. What is specific for the Performance Scorecard is the grouping of KPIs in the four traditional perspectives of the Balanced Scorecard – Financial, Customer, Internal Processes, Learning & Growth – each containing objectives. Derived from the objectives, KPIs that describe and assess the organization's or the department's performance from these four perspectives.



The core element of the Performance Scorecard is represented by the KPIs populating it. Without an accurate and standard understanding of the KPIs populating the Scorecard, its proper use can be endangered and its value-added limited.

The HR KPIs for Scorecard report is a comprehensive collection of 20 KPIs considered by the smartKPIs.com team as the most relevant and adequate to populate the Human Resources Department Performance Scorecard. Each KPI is documented based on the best practice KPI documentation template proprietory to smartKPIs.com and available in the smartKPIs Premium section of the website. There are over 30 fields of metadata specific to each KPI, from KPI name to definition, subordinate measures, calculation formula, among others.

Some of the main sections of the report are:

- "KPIs … naturally", an article that sets the context through a discussion on what is old and what is new in the use of KPIs.
- An introduction to the custom KPI documentation form developed by the smartKPIs.com research team for documenting KPIs. It contains over 30 fields of data, making this the most thorough KPI documentation template in use today.
- Comprehensive insights on Key Performance Indicators (KPIs) as performance measurement tools and a glossary explaining the most popular terms characterizing KPIs.
- A list of the KPIs for HR Scorecard, grouped by the four Balanced Scrorecard perspectives.
- A detailed description of each KPI listed in the KPIs for HR Scorecard report, as documented in smartKPIs Premium (the premium content section of smartKPIs.com).

This collection of 20 thoroughly documented KPIs for assessing and managing performance of the Human Resources Department can represent the foundation for developing and using a comprehensive HR Scorecard, as part of the HR Department Performance Management System.

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About Key Performance Indicators (KPIs)

In many domains of human activity, the use of tools is essential for the achievement of results. Measurement and evaluation make no exception, being equipped with both conceptual and physical tools. Of the first category, at the core of any performance measurement and managment system are the measures, metrics, indicators or KPIs used.

Both academic and practitioner literature uses interchangeably these terms, oftentimes even within the same organisation.

At smartKPIs.com, we have adopted the following definitions for these terms:

Measure - A number or a quantity that records a directly observable value. All measures are composed of a number and a unit of measure. The number provides magnitude (how much) for the measure, while the unit gives number a meaning (what). Examples of unit measures are: dollars, hours, meters, inches, etc.

Indicator - Indicators are defined in many ways, but the common meaning for all of them is that they refer to specific information. Thus, the Organisation for Economic Co-operation and Development (OECD) defines an indicator as "*a qualitative or quantitative factor or variable that provides a simple and reliable means to measure achievement, to reflect changes connected to an intervention, or to help assess the performance of a development actor*".[1]

Metric, Performance Measure or Performance Indicator - A generic term encompassing the quantitative basis by which objectives are established and performance is assessed. It helps quantify the achievement of a result, the quantifiable component of an organization's performance. In the context of measuring and managing performance these terms are use interchangeably.

Key Performance Indicator (KPI) - A selected indicator considered key for monitoring the performance of a strategic objective, outcome, or key result area important to the success of an activity and growth of the organization overall. KPIs make objectives quantifiable, providing visibility into the performance of individuals, teams, departments and organizations and enabling decision makers to take action in achieving the desired outcomes. Typically, KPIs are monitored and communicated through dashboards, scorecards and other forms of performance reports.

While on paper the terms listed above can be differentiated, in practice, the difference between them is blurred and, at some extent, irrelevant. As long as their purpose and use is clear and understood by members of the organization, whether they are called performance measures or KPIs is a matter of preference.

At smartKPIs.com, we assess each example entered in the online database and label it as measure, performance indicator or KPI. It is an empirical and subjective approach to catalogue each entry based on relevance. Ultimately, all entries in the online database are considered KPI examples. In addition, to single out the entries that stand out in terms of relevance, we introduced a new label:



smartKPI - A Key Performance Indicator example available on smartKPIs.com, that is recommended as being the most relevant and truly "Key" for organizational performance. They are selected by the editorial team of the website based on criteria such as:

- Listing in academic and practitioner publications that analyse their usefulness;
- Frequency of use by Functional Area / Industry;
- Fulfillment of the criteria of how good KPIs should be defined and used.

1. Organisation for Economic Co-operation and Development, 2002, Glossary of Key Terms in Evaluation and Results Based Management, OECD Publications, Paris, France

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KPIs … Naturally



Measurement as a human activity is not new. It emerged in early history as a mean for discovery and sense making. Archaeologists consider the first measurement tool used in human history to be the Lebombo bone, a baboon fibula containing 29 cut notches. Dated 35,000 BC, this tally stick was discovered in the Lebombo mountains in Swaziland.

Evaluation, as a form of measurement was used as early as the 3rd century AD, when emperors of the Wei Dynasty rated the performance of the official family members. The biased nature of individual performance evaluation was noticed by Chinese philosopher Sin Yu, who reportedly criticized a rater employed by the Wei Dynasty with the following words: "The Imperial Rater of Nine Grade seldom rates men according to their merits, but always according to his likes and dislikes".

A major milestone in making the connection between measuring as a human activity and performance was in 1494, when Luca Pacioli published in Venice *'Summa de arithmetica, geometrica, proportioni et proportionalita'* (*'Everything on arithmetic, geometry, proportions and proportionality'*). It detailed a practice the Venetian sailors had in place to evaluate the performance of their sailing expeditions, which became the basis of the double-entry accounting system.

In time, the subjective nature of individual performance evaluations and the dominance of financial indicators for evaluating enterprise performance became stepstones for performance management in human activities.

The industrial revolution added to this combination the "*organization as a machine*" metaphor that played a major role in driving improvements in efficiencies and effectiveness. The result was an organizational performance management model based on mechanistic, command-and-control thinking, driven by subjective individual performance assessments and financial indicators and crowned by pay-for-performance arrangements.

Did it work? To a certain extent, yes. Many organisations flourished and matured based on this model.

Does it have flaws? Many. And while historical circumstances attenuated them in time, today's environment amplifies and exposes them at an accelerated rate.

Is there a better way? Yes, but it is not simple. It requires a change at multiple levels, from the underlying philosophy of performance, to mentalities and processes. This is not easy.

Over time, the use of Key Performance Indicators (KPIs) became synonym to performance measurement and management. KPIs are the link between the old and the new in performance management. Their use, however, is much richer and rewarding in an environment based on organic performance architecture principles:

Organizations are echo-systems in their own right. They vary in terms of maturity and the environment in which they operate. As such, their use of performance management systems should reflect their own "personality". You can try to build an igloo in Sahara, but it won't be sustainable. The performance architecture of each organisation needs to be unique and to reflect its internal and external environment.

Systems thinking provides a much richer context for understanding and improving performance. Command-and-control worked in time for the army, for increasing productivity of unskilled workers during the industrial revolution and for managing large organizations (such as the public service). Today, knowledge workers form the majority of the workforce in developed economies, operate in a much more interconnected environment and have to make decisions at an accelerated pace. Understanding the systems in which we operate, analysing flow and learning based on data become ever more important today and complement the traditional simplistic managerial approach of executing orders from above.

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KPIs should be used primarily for learning. The role of KPIs should be the one of providing the required information to assist in navigating towards the desired results. The same principle is used by ants, who leave pheromone trails to assist each other in navigating towards the food source. Similarly, the nerve impulses travel through the different points of the nervous system, transmitting information. KPIs results should travel through the organisation, facilitating communication, providing a base for analysis / synthesis and ultimately decision making across all levels of the organisation.

Data accuracy in human administration is an elusive desideratum. Neils Bohr once said: *"Accuracy and clarity of statement are mutually exclusive"*. Accuracy is a challenge in exact sciences and even more in human administration. Striving to obtain any KPI data is a challenge in itself for many organisations and data accuracy is an even bigger ask. The use of KPIs should acknowledge this aspect and be oriented towards making the most out of existent data, oftentimes by using variance intervals. This approach is used by the human body. If the temperature drops under a safe limit, we shiver. If the temperature increases, we sweat. Both are performance improvement initiatives of the body, aimed to regulate its temperature back to safe limits. The KPI here is the temperature. While it is not a constant, its trend is good when within certain safe limits.

The use of KPIs for rewards and punishment should be limited and driven by self-assessment. Purposeful oriented behaviour is a characteristic of living organisms. For humans and many other species, this behaviour is amplified by rewards and punishment. Along with this amplification, risks are amplified, too. Gaming of results, lack of cooperation, decreased morale and work accidents are some of the undesired consequences. On the other hand, the majority of nerve impulses in the human body transmit general information. Only in particular situations pleasure or pain signals. Similarly, the use of KPIs for rewards and punishment should be the exception to the rule, rather than the norm.

Embedding KPIs in organisations through visualization and communication of KPIs results is the key to maximising their value added. Variations in the KPIs used by the human body are felt by our senses as their impact is sensory rich. Similarly, KPIs used in an organizational context should be embedded in everyday use and be a part of the working experience. The most important aspect of communicating KPI results is their visual representation. This is key, both in terms of optimising the layout of the data representation and the presence of visual displays in the working environment. The range of media is diverse today: posters, whiteboards, banners, LED and LCD monitors should be combined to bring results to life across the organization. KPI results should not be restricted to paper reports and computer screens anymore.

New philosophy of performance, driven by self-assessment and purposeful achievement as a mean to happiness. While happiness means many things to many, a common expression of this feeling is the result of the purposeful achievement of a desiderate. Achieving something we want, while shared with others, is about us and reverberates strongly in our inner self. Transposing this powerful catalyst of performance in both our personal and organizational life is facilitated by a new paradigm: Happiness is driven by achievement. Achievement is an expression of performance. If we want to be in control of our happiness, we should be in control of our performance.

Self-assessment of performance results is not easy. However, if more emphasis is placed on building this capability in each employee, organisations can benefit by creating a rewarding environment conducive to happiness. In this environment, managers can focus on understanding and improving the working system, while employees can focus on self-assessment of the results' achievement, learning and communicating. Purposeful achievement of results in a well-structured working system would bring both individuals and organisation much closer to happiness and fulfilment compared to the payment of bonuses in the current command-and-control driven dominant paradigm.

KPIs are here to stay. The question we have to answer is how do we want to use them: mechanistically or naturally?

Aurel Brudan,
Performance Architect
smartKPIs.com

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KPI Documentation Form Template as Used by smartKPIs.com

Organizational capability or department that fulfils a specific business function.

Sub-grouping of the functional area or industry.

Aggregate of organizations operating in a particular field, often named after its principal product or service.

Functional Areas
N/A

Sub-categories
Hospitals

Industries
Healthcare

KPI record
sK41

Indicator type
smartKPI

Unit type
%

Key Performance Indicator (KPI) example unique identification number assigned automatically when entered in the database.

Classification of performance indicators based on their relevance and level of analysis.

Type of measurement unit to reflect results (number, percentage, monetary value).

Name of the indicator, a brief representation of its role.

Succinct description of the indicator, clarifying in business terms its name.

Other versions of the indicator name, as used in practice.

Name

% Hospital bed occupancy rate

Definition and variations

Definition
Measures the percentage of beds in the hospital that are occupied by patients, from overall number of hospital beds.

Variations
% Bed occupancy rate - long-term patients
% Bed occupancy rate - short-term patients

Related KPIs
Hospital bed capacity
$ Hospital operating profit per bed
# Hospital admission rate per 10,000 inhabitants

Tags
hospital, occupancy

List of other related indicators in the database, either upstream (influenced by this indicator), or downstream (with influence on this indicator).

Keywords relevant to the indicator, useful for navigating by thematic clusters of similar examples.

Names of the measures used in calculating the indicator (if applicable).

Calculation

Subordinate measures used for calculation
A = # Hospital inpatient beds occupied
B = # Hospital inpatient beds

Calculation formula
(A/B)*100

Formula type
Rate

Trend is good when
Increasing

Expresses the indicator as a formula linking the subordinate measures (if applicable).

Type of calculation formula, based on the combination of subordinate measures (rate, ratio, index, composition).

Direction in which the results of the indicator need to move for a positive result.

Explanation of the reason or business justification for using the indicator.

Classification of performance indicators based on what dimension of an activity or result they are measuring.

Strength of the indicator based on the stage of evaluation: input, process, output or outcome.

Focus

Purpose
To indicate the hospital's efficiency regarding bed management and its spare capacity.

BSC perspective
Customer

Measurement focus
Volume

Impact stage
Process

Indicator focus
Leading

Measurment type
Quantitative

Level
Strategic

Standard Balanced Scorecard perspective where the indicator fits best.

Type of indicator based on the emphasis of past activity or future performance.

Measurement approach for the KPI (Quantitative or qualitative).

Organizational level at which the indicator is measured (strategic or operational).

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Period for which the results of the indicator have been measured.

Frequency of data gathering and reporting for the indicator.

Subjective evaluation of the integrity characteristics of the data being reported.

Data profile

Data capture period
Spot

Standard reporting frequency
Daily

Data integrity
High

Automation fit
Recommended

Limitations
Accurate reporting for this KPI requires real-time registration of inpatients, so that no lag exists between the actual hospitalization (and the occupancy of the bed) and registering it in the bed management system.

Suitability for automated data gathering by importing data in the centralized reporting tool.

Other limitations (data or reporting system related) to be considered during the use of the indicator.

Subjective evaluation of the suitability for benchmarking based on indicator reporting standardization in the industry.

Additional information related to the target setting for this indicator.

Thresholds outlining the limits for positive and negative results, as well as the tolerance interval.

Targets

Benchmarking fit
Suitable

Notes
Given the universality of the measure, it suits benchmarking very well. High levels of bed occupancy reflect the ability of a hospital to provide safe patient care and indicate an efficient use of a hospital's capacity.

Threshold exemple
Red: <70%

Yellow: 70-90%

Green: >90%

Analysis and resources

Overall notes
Bed occupancy rate is used to assess the demands for hospital beds and hence to gauge an appropriate balance between demand for health care and number of beds available. Managing the bed occupancy rate can be a difficult task due to the demand that cannot be controlled by postponing (like in the case of a guest house, for example).

Additional resources
http://news.bbc.co.uk/2/hi/health/5370336.stm

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3. Republic of the Philippines, Department of Health (2004),
OTHER HEALTH FACILITIES STATISTICAL REPORT, available at: www.doh.gov.ph/bhfs/images/issuances/psychiatric/statisticalreport.pdf

General remarks about the use of the indicator.

Other recommended online and offline resources for understanding and using the indicator.

List of resources reviewed as part of the documentation process.

Average rating of the indicator by smartKPIs.com community members.

Total number of pageviews for the indicator.

Date stamp of when the indicator page was last updated.

Statistics & bookmarking

Rating
(1 / 5)

Add rating

Views
1780

Share

Last updated
03 February 2011

Save

Rating button.

Share button, for social media communication.

Option to save the indicator in a preferred list available online at smartKPIs.com.

smartKPIs Community

Other popular KPI examples
- # Average length of stay in ER
- % Emergency Department visits resulting in hospital admissions
- % Employee turnover

Comments

Other indicators saved in the preferred list along with the current example by smartKPIs.com community members.

Option to comment, provide feedback and engage with other members of the smartKPIs.com community on topics relating the documentation and use of the indicator.

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About the Human Resources Functional Area

The Human Resources function has the overall responsibility to implement strategies and policies regarding the management of employees within the organization. Its prime role is to support the achievement of organisational goals by ensuring that relevant and innovative people policies, practices and systems are in place so that the organisation can attract, retain and develop outstanding staff.

Sub-categories in smartKPIs.com

Compensation and Benefits
Service Delivery
Efficiency and Effectiveness
Talent Development
Recruitment
Workforce
Retention
Working Environment

History

Human Resources was shaped as a discipline by two main movements. The first one is the recognition among organizations of the importance that needs to be given to the welfare of the workforce. For example, Welfare Officers were introduced during the World War I in the UK factories. The second one, generated in the U.S. in the early 1900s, developed as a consequence of the increasing demand for efficient working practices within the highly mechanized factories.

Human Resources term reflects a relatively modern management concept, used for the first time in the 1960s. Its origins are shaped by the introduction of “welfare management” practices and the “scientific management” principles in organizations. The applicability of these terms enabled the outline of the administrative management activity, coordinating a range of worker related processes and generating, in time, the well known “personnel function”.

Mostly developed in the multinational and international corporations’ context, Human Resources became a frequently used term, defining a stronger strategic approach to workforce management. Since then, Human Resources gained a more significant influence within strategic management roles, while being shaped into sophisticated influential departments with board-level representation.

Relevant HR Professional Associations

Australian Human Resources Institute (AHRI)
Chartered Institute of Personnel and Development (CIPD)
Human Capital Institute (HCI)
International Personnel Management Association of Canada (IPMA – Canada)
International Public Management Association for HR (IPMA-HR)
National Association of Personnel Services (NAPS)
National Human Resources Association
Society for Human Resource Management (SHRM)

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List of KPIs for HR Scorecard

HR Scorecard Perspective	Key Performance Indicators (KPIs)
Customer Perspective **4 KPIs**	% HR customer satisfaction with service levels
	# Satisfaction of employees with HR services
	# Employee complaints resolution timeliness
	% On-time delivery of HR service requests
Financial Perspective **5 KPIs**	% HR operating expense rate
	# FTEs per HR department FTE
	$ Cost per hire
	$ Cost avoidance savings
	% HR budget variance
Internal Processes Perspective **5 KPIs**	# Open requisitions
	# Time to fill a vacant position
	% Performance appraisals completed on time
	% HR projects on time, on budget and according to specifications
	% HR processes optimized
People, Learning & Growth Perspective **6 KPIs**	# HR employee engagement index
	# Ideas for new / improved service from HR employees
	# Certifications per HR employee
	# Training hours per HR full time equivalent (FTE)
	% HR employee satisfaction
	% HR employee turnover

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Functional Areas	Sub-categories	Industries
Sales and Customer Service	Customer Service	Any
KPI record	**Indicator type**	**Unit type**
sK2379	smartKPI	%

Name

% Customer satisfaction with service levels

Definition and variations

Definition

Measures the percentage of customers who are satisfied with the company's overall service levels (before, during and post-sale), out of the total number of customers surveyed.

Variations

% Service levels satisfaction
% Customers satisfied with service levels

Related KPIs

% On-time delivery
# Credit request processing time

Tags

satisfaction

Calculation

Subordinate measures used for calculation

A = # Customers stating they are satisfied with the service levels
B = # Customers surveyed

Calculation formula	Formula type	Trend is good when
(A/B)*100	Rate	Increasing

Focus

Purpose

To indicate whether the company's services correspond to customer expectations, as this impacts future customer behavior (purchases, recommendations, complaints etc.).

BSC perspective	Measurement focus	Impact stage
Customer	Satisfaction	Outcome
Indicator focus	**Measurment type**	**Level**
Leading	Quantitative	Strategic

Data profile

Data capture period	Standard reporting frequency	Data integrity
Spot	Biannually	Low

Automation fit

Not recommended

Limitations

Measurement is based on customer surveys, thus being susceptible of inaccuracy due to subjectivity of respondents. This makes it also expensive and time-consuming to monitor.

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Targets

Benchmarking fit	Notes
Unsuitable	Due to the use of non-standardised methodologies to conduct the surveys, benchmarking is not recommended.

Threshold exemple

Red: <80% | Yellow: 80-90% | Green: >90%

Analysis and resources

Overall notes

This KPI reflects only a level of general satisfaction, not areas in which dissatisfaction exists or causes for that. Therefore, further root cause analysis is recommended.

Usually, survey questions are self-constructed, but general surveys for customer satisfaction available in the marketing knowledge base can be used as starting points for the development of an appropriate survey to measure satisfaction with the service levels.

Extended analysis of the surveys helps evaluate in what areas of service customers are not satisfied and what ideas for service improvement can be evidenced.

Additional resources

http://www.iaeng.org/publication/IMECS2009/IMECS2009_pp1899-1903.pdfÂ

http://members.byronsharp.com/6892.pdf

http://www.utexas.edu/research/cswr/survey/cssymposium/cspaper.pdf

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Functional Areas	Sub-categories	Industries
Human Resources	Service Delivery	Any
KPI record	**Indicator type**	**Unit type**
sK2038	smartKPI	#

Name

Satisfaction of employees with HR services

Definition and variations

Definition

Measures the employee's satisfaction with the quality of activities, services and support delivered by the Human Resource (HR) function throughout the organization.

Variations

HR Customer satisfaction index
Employees satisfaction with HR services

Related KPIs

% Non loyalty program member satisfaction

Tags

satisfaction

Calculation

Subordinate measures used for calculation

A = # Employee satisfaction with HR services delivered
Surveys assessing employee satisfaction with HR services are usually tailored to each organization.

Calculation formula	Formula type	Trend is good when
A, based on survey	Index	Increasing

Focus

Purpose

To indicate the HR function effectiveness and its ability to meet employees' expectations and needs.

BSC perspective	Measurement focus	Impact stage
Learning & Growth	Satisfaction	Outcome
Indicator focus	**Measurment type**	**Level**
Leading	Quantitative	Operational

Data profile

Data capture period	Standard reporting frequency	Data integrity
Spot	Quarterly	Low

Automation fit

Not recommended

Limitations

Being based on employee surveys, measurement is time-consuming and affected by the respondents' subjectivity.

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Targets

Benchmarking fit

Unsuitable

Notes

Being tailored for each organization and usually not benefiting from a standardized methodology for measurement, this indicator is not recommended for benchmarking.

Threshold exemple

Red: <80%

Yellow: 80-90%

Green: >90%

Analysis and resources

Overall notes

Measurement can envisage solely the employee satisfaction with HR services (when an extensive HR function performance assessment is conducted) or questions regarding the HR service delivery can be included in a general employee satisfaction survey.

Additional resources

http://www.ercnet.org/research/studies/08%20Research%20Study%20-%20HR%20Service%20Delivery%20&%20Strategy.pdf

http://hr.utmb.edu/

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http://www.pwc.com/en_US/us/hr-saratoga/assets/delivery-effectiveness.pdf

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Functional Areas	Sub-categories	Industries
Human Resources	Working Environment	Any
KPI record	**Indicator type**	**Unit type**
sK1938	Key Performance Indicator	#

Name

Employee complaints resolution timeliness

Definition and variations

Definition

Measures the average resolution time of officially recorded work related employees complaints.

Variations

Timeliness of employees complaints resolution
Duration of employees complaints resolution

Related KPIs

Grievances of an ethical nature

Tags

conflict resolution, complaints

Calculation

Subordinate measures used for calculation

Ai = # Duration of achieving resolution for employee complaint 'i', where i=1 to n
n = # Complaints resolved

Calculation formula	Formula type	Trend is good when
(A1+A2...+An)/n	Average	Decreasing

Focus

Purpose

To assess the complaints resolution efficiency and effectiveness. Keeping a friendly working environment and enhancing the working conditions are important aspects for securing motivated and engaged employees.

BSC perspective	Measurement focus	Impact stage
Internal Processes	Duration	Process
Indicator focus	**Measurment type**	**Level**
Leading	Quantitative	Operational

Data profile

Data capture period	Standard reporting frequency	Data integrity
Month	Monthly	Low

Automation fit

Not recommended

Limitations

Relevance of reporting is limited by not providing any indication on the gravity of the employees' complaints handled, nor on the employee satisfaction, motivation or engagement levels.

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Targets

Benchmarking fit	Notes
Suitable	The threshold example has just an exemplification purpose. The targets may vary from company to company according with the type of complaints received and gravity of the problems signaled. It is desirable that any complaint to be resolved as fast as the organizational conditions allow it.

Threshold exemple

Red: >9 Yellow: 6-9 Green: <6

Analysis and resources

Overall notes

It is recommended for all organizations to have in place an employee complaints and grievance management process. Securing a balanced, friendly and secure working environment is of highly importance for the bottom line of the company. Happy employees can lead to efficient internal processes and higher profitability for the companies.

Additional resources

http://onlinelibrary.wiley.com/doi/10.1111/j.1748-8583.2001.tb00046.x/abstract

http://marino72.files.wordpress.com/2009/06/the-hr-function-of-the-future.pdf

http://www.uvm.edu/policies/hr/complaint.pdf

References

1. University of California, San Francisco, Personnel Policies for Staff Members (2001), "UCOP Human Resources Procedure 70 â€“ COMPLAINT RESOLUTION", available at: http://ucsfhr.ucsf.edu/files/ppsm70.pdf
2. UC Santa Cruz (1999), "Complaint Resolution Procedures -- MSP", available at: http://shr.ucsc.edu/shr-procedures/section-e/e2.pdf
3. University of California, San Francisco (2009), "Special Complaint Resolution Policy for Complaints Regarding Certain Decisions Affecting Bonus and Incentive Payments (Exception to Staff Policy 70 and Staff Policy II-70)", available at: http://atyourservice.ucop.edu/employees/policies_employee_labor_relations/personnel_policies/complaint_policy.pdf
4. Allamo Colleges (2009), "Employee Complaints", available at: https://www.alamo.edu/district/ethics/searchfiles/D.3.3.1%20Procedure.pdf
5. University of Vermont (2007), "Complaint Resolution and Grievance Policy and Procedures â€“ Non-Represented Staff", available at: http://www.uvm.edu/policies/hr/complaint.pdf

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Functional Areas	Sub-categories	Industries
Human Resources	Efficiency and Effectiveness	Any
KPI record	**Indicator type**	**Unit type**
sK2278	smartKPI	%

Name

% On-time delivery of HR service requests

Definition and variations

Definition

Measures the percentage of Human Resources (HR) services requested by customers that are delivered on time, from all the requests registered. HR services include a diverse range of requests from both internal and external customers: recruitment, selection, performance appraisal, induction of new employees etc.

Variations

% On-time delivery for HR service calls
% Services delivered on-time

Related KPIs

On time talent delivery

Tags

service delivery, efficiency

Calculation

Subordinate measures used for calculation

A = # HR service requests delivered on-time
B = # HR service requests

Calculation formula	Formula type	Trend is good when
(A/B)*100	Rate	Increasing

Focus

Purpose

To indicate the level of satisfaction with the HR service delivery timing. On-time delivery is likely to lead to satisfied internal customers (other departments, management and colleagues) and external customers (job applicants, development and training partners etc).

BSC perspective	Measurement focus	Impact stage
Internal Processes	Duration	Output
Indicator focus	**Measurment type**	**Level**
Leading	Quantitative	Operational

Data profile

Data capture period	Standard reporting frequency	Data integrity
Month	Monthly	Low

Automation fit

Recommended

Limitations

It requires a structured and well maintained service requests register, in order to monitor the delivery time.

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Targets

Benchmarking fit	Notes
Suitable	Targets set depend on the type of services and their complexity. By having these targets set and measured, the HR department can see the growth or decrease in the delivery efficiency, at different moments in time. A high achievement level for this KPI may have positive impact on internal and external customer satisfaction, since clients consider their needs are satisfied on time.

Threshold exemple

Red: <70% | Yellow: 70-90% | Green: >90%

Analysis and resources

Overall notes

The indicator is frequently used to reveal the efficiency and effectiveness of HR service level delivered to the stakeholders: management, employees, other department, external partners. An example of HR service with a great impact is the payroll level and transactions.

Good internal communication influences the results for this KPI, as the allocated time to deliver requested services should be clearly stated and agreed upon.

Additional resources

Holbeche, L. (2009), "Aligning human resources and business strategy", Butterworth-Heinemann, Oxford, UK.

References

1. Aurelbrudan.com (2010), "10 Key Performance Indicators for 2010", available at: http://www.aurelbrudan.com/2010/09/04/smartkpiscom-performance-architect-update-352010/
2. Madden, S. (2010), "Organizational Excellence: Strategic & Creative reinvention", available at: http://www.hr.ucdavis.edu/HR-hot-topics/sscpdf
3. United States Office of Personnel Management (2006), "HUMAN RESOURCES LINE OF BUSINESS", available at: http://www.opm.gov/egov/documents/architecture/HRLOB_PM_6.30.06.pdf

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Functional Areas	Sub-categories	Industries
Human Resources	Service Delivery	Any
KPI record	**Indicator type**	**Unit type**
sK2046	smartKPI	%

Name

% HR operating expense rate

Definition and variations

Definition

Measures the Human Resources (HR) department operational budget spent, as a percentage of the total organizational operational expenditure.

Variations

% HR department operating expenses rate
% HRM expense factor

Related KPIs

% Operational budget spent on training

Tags

hr costs ratios

Calculation

Subordinate measures used for calculation

A = $ HR operating expenses
B = $ Organizational operating expenses

Calculation formula	Formula type	Trend is good when
(A/B)*100	Rate	Within range

Focus

Purpose

To reflect the level of HR funding compared to other functional areas.

BSC perspective	Measurement focus	Impact stage
Financial	Money	Output
Indicator focus	**Measurment type**	**Level**
Lagging	Quantitative	Operational

Data profile

Data capture period	Standard reporting frequency	Data integrity
Month	Monthly	Medium

Automation fit

Recommended

Limitations

Captures outsourcing and contractors' expenses not indicated by HR staffing factors. It doesn't provide any indication on the return on human capital investment to outline the outcome. Can be automated if the HR management system synchronizes with the reporting system.

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Targets

Benchmarking fit

Suitable

Notes

Targets may vary from organization to organization according with the HR policy, nature / scale of activities and stage in organizational development. Higher targets are usually established in periods of organizational transformations which require high growth of human capital (including the HR function). Lower targets are mostly common for periods in which the organization invests little in the support and development of the workforce. This is however not the most desired situation.

Threshold exemple

Red: <1%; >7%

Yellow: 1-3%; 5-7%

Green: 3-5%

Analysis and resources

Overall notes

It is recommended for organizations to aim striking a balance between investments in the HR function to support its strategic goals and maintaining an efficient function from an operating and financial point of view.

An analysis of the extent to which the expenses are driven by investments versus efficiency issues is highly recommended to be performed before establishing any targets for this performance measure. A complementing KPI for organizations using an internal chargeback system is # HR expense to revenue ratio.

Additional resources

http://marino72.files.wordpress.com/2009/06/the-hr-function-of-the-future.pdf

Jackson, S., E., Schuler, R., S. & Werner, S. (2008), "Managing Human Resources", Cengage Learning, Mason, OH.

References

1. Shi, W. & Shi, K. (2010), "A benefit-cost analytic framework for selection of human resource measures", Web Society (SWS), 2010 IEEE 2nd Symposium, available at: http://ieeexplore.ieee.org/xpls/abs_all.jsp?arnumber=5607374
2. State Services Commission, Wellington, New Zealand (2009), "Measuring Human Resource Capability in the Public Service", available at: http://www.ssc.govt.nz/upload/downloadable_files/Occ_Paper_13.pdf
3. University of Michigan (2009), "Counter Matrix", available at: http://www.mais.umich.edu/groups/download/hrms_piag_dec2009_counter_matrix.pdf

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Functional Areas	Sub-categories	Industries
Human Resources	Service Delivery	Any
KPI record	**Indicator type**	**Unit type**
sK44	smartKPI	#

Name

FTEs per HR department FTE

Definition and variations

Definition

Measures the number of Full Time Equivalents (FTEs) corresponding to one FTE in the HR department.

Variations

HR headcount ratio

Related KPIs

$ HR revenue per HR Full Time Equivalent (FTE)

Tags

fte, human resources

Calculation

Subordinate measures used for calculation

A = # Total FTEs
B = # HR department FTEs

Calculation formula	Formula type	Trend is good when
A/B	Ratio	Within range

Focus

Purpose

To assess the HR management workload, based on the number of total FTEs.

BSC perspective	Measurement focus	Impact stage
Internal Processes	Volume	Input
Indicator focus	**Measurment type**	**Level**
Leading	Quantitative	Operational

Data profile

Data capture period	Standard reporting frequency	Data integrity
Spot	Monthly	Medium

Automation fit

Recommended

Limitations

It does not illustrate with accuracy the workload of the HR department, as activities might not always depend on the volume of employees.

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Targets

Benchmarking fit	Notes
Suitable	This KPI reflects the importance of HR to the organization. A balanced ratio creates less pressure on the HR department and usually provides more comprehensive services.

Threshold exemple

Red: <2; >6 Yellow: 2-3; 5-6 Green: 3-5

Analysis and resources

Overall notes

While this metric can be heavily skewed by organizations that outsource their HR functions, it provides insight into the size and support level of HR.

Additional resources

http://www.caa.co.uk/docs/5/ergdocs/sp7_hrbenchmarking.pdf

http://www.pwc.com/bg/en/services/full-metrics-list.jhtml

References

1. Ealing Council (2008), "Human Resources & Organisation Development Draft Budget 2008/09", available at: http://www.ealing.gov.uk/ealing3/export/sites/ealingweb/services/council/committees/agendas_minutes_reports/scrutiny/overview_and_scrutiny/15_may_2007_-_19_may_2008/_24_jan_08/Item07-HumanResourcesBudgetReport.doc
2. National Services Scotland (2010), "Consultation Document on proposed HR Service Redesign", available at: http://www.nhsnss.org/uploads/board_papers/B1010%20Consultation%20Document%20HR%20100129%20final.pdf
3. PricewaterhouseCoopers (2004), "HR Indexâ„¢ Benchmark Report", available at: http://www.caa.co.uk/docs/5/ergdocs/sp7_hrbenchmarking.pdf

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Functional Areas	Sub-categories	Industries
Human Resources	Recruitment	Any
KPI record	**Indicator type**	**Unit type**
sK49	smartKPI	$

Name

$ Cost per hire

Definition and variations

Definition

Measures the average costs incurred with hiring a new employee.

Variations

$ Average costs of recruitment per job position

Related KPIs

Recruiter to open requisitions ratio
$ Recruitment costs

Tags

recruitment, hire, costs

Calculation

Subordinate measures used for calculation

A = $ Recruitment costs (i.e. advertising fees, agency fees, employee referrals, travel expenses, internal recruiter costs)
B = # New hires

Calculation formula	Formula type	Trend is good when
A/B	Average	Decreasing

Focus

Purpose

To assess the cost efficiency of the recruitment process.

BSC perspective	Measurement focus	Impact stage
Learning & Growth	Money	Process
Indicator focus	**Measurment type**	**Level**
Lagging	Quantitative	Operational

Data profile

Data capture period	Standard reporting frequency	Data integrity
Month	Monthly	High

Automation fit

Recommended

Limitations

It doesn't take into consideration the length of time it takes to fill the position, nor the quality of the hire. For example, a cost per hire for a senior executive position will be drastically different from a non-exempt position.

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Targets

Benchmarking fit	Notes
Unsuitable	The threshold example has just an exemplification purpose. Targets should be set according to the strategy of human resources regarding hiring process and also to the job level (management, junior etc).

Threshold exemple

Red: >1,500	Yellow: 1,000-1,500	Green: <1,000

Analysis and resources

Overall notes

Cost per hire is a common and valuable recruiting effectiveness measuring tool. Total cost per hire may include: advertising fees, agency fees, employee referrals, travel expenses and internal recruiter costs. The cost of the recruiters time - 10% is a historically derived figure for all overhead and admin support. These types of costs included in the calculation need to be clearly determined and documented.

Additional resources

http://ceo.usc.edu/pdf/T0416468.pdf

http://www.gideongroup.net/uploads/media/Download_Article.pdf

http://courses.cit.cornell.edu/jma7/abowd-kramarz-costs-hiring-separation-final.pdf

http://www.ipma-hr.org/sites/default/files/finalbenchreport.pdf

References

1. International Public Management Association for Human Resources (2010), HR Bulletin October 1, 2010, available at: http://www.ipma-hr.org/publications/hr-bulletin/1001101.
2. PricewaterhouseCoopers (2004), "HR Indexâ„¢ Benchmark Report", available at: http://www.caa.co.uk/docs/5/ergdocs/sp7_hrbenchmarking.pdf
3. Recruiters Network, "Calculating The Cost Per Hire", available at: http://www.recruitersnetwork.com/resources/costperhire.htm
4. Staffing.org (2008), "Benchmark Report: Executive Summary", available at: http://www.staffing.org/library_ViewArticle.asp?articleid=384

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Functional Areas	Sub-categories	Industries
Portfolio and Project Management	Benefits Realisation Management	Any
KPI record	**Indicator type**	**Unit type**
sK262	smartKPI	$

Name

$ Cost avoidance savings

Definition and variations

Definition

Measures the amount saved due to actions taken to reduce costs for the organization through the implementation of cost avoidance initiatives (mostly related to procurement and process improvement).

Variations

$ Cost avoidance
$ Total cost avoidance savings

Related KPIs

$ Savings due to employee suggestions

Tags

cost, avoidance

Calculation

Subordinate measures used for calculation

A = $ Savings achieved due to cost avoidance ideas and initiatives

Calculation formula	Formula type	Trend is good when
A	Volume	Increasing

Focus

Purpose

To track the outcome of cost avoidance initiatives, a key aspect of their benefits realization management.

BSC perspective	Measurement focus	Impact stage
Financial	Money	Outcome
Indicator focus	**Measurment type**	**Level**
Lagging	Quantitative	Operational

Data profile

Data capture period	Standard reporting frequency	Data integrity
Spot	Monthly	Low

Automation fit

Recommended

Limitations

Cost avoidance is not obvious so quantifying it is more challenging. Clear differentiation should exist between cost avoidance and cost savings when calculating this indicator.

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Targets

Benchmarking fit

Unsuitable

Notes

Cost avoidance may incur higher (or additional) costs in the short run, but the final cost will be lower. This indicator is a lagging one, so is harder to forecast or plan for. However, it is very useful to monitor and to set up some procedures in the procurement process which increase the value of savings due to cost avoidance.

Threshold exemple

Red: <300 Yellow: 300-500 Green: >500

Analysis and resources

Overall notes

Cost avoidance, as opposed to cost savings, means not incurring some future cost instead of reducing your current costs. Some examples of cost avoidance include: resisting or delaying a supplierâ€™s price increase; securing a purchase price that is lower than the original quoted price, receiving additional services at no cost (e.g. free training), and long-term contracts with price-protection provisions.

Additional resources

http://www.esourcingforum.com/archives/2006/07/07/cost-reduction-and-avoidance-i-an-introduction/

References

1. APHSA Health Services Division, "Cost Avoidance in New York state: What's Being Done", available at: hsd.aphsa.org/Conferences/docs/tpl/FloraSession.ppt
2. National Association of State Procurement Officials (2007), "Benchmarking Cost Savings & Cost Avoidance", available at: http://www.naspo.org/documents/Benchmarking_Cost_Savings__and_Cost_Avoidance.pdf
3. Plant Engineer, "How to Calculate Cost Avoidance Savings with Preventative Maintenance", available at: http://plantengineer.net/2010/01/how-to-calculate-cost-avoidance-savings-with-preventative-maintenance/

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Functional Areas	Sub-categories	Industries
Accounting	Planning and Reporting	Any
KPI record	**Indicator type**	**Unit type**
sK479	smartKPI	%

Name

% Budget variance

Definition and variations

Definition

Measures the deviation between the actual costs and the planned (budgeted) costs for the same period. It can be applied at organizational, team, project or individual level.

Variations

% Deviation of planned budget
% Project budget variance
% Variance of project budget

Related KPIs

% Project budget variance at project end
$ Project deviation from planned budget

Tags

budget

Calculation

Subordinate measures used for calculation

A = $ Realized budget
B = $ Planned budget

Calculation formula	Formula type	Trend is good when
[(A-B)/B]*100	Rate	Within range

Focus

Purpose

To indicate the financial discipline in executing budgets. Can be used as a tool to control costs.

BSC perspective	Measurement focus	Impact stage
Financial	Money	Output
Indicator focus	**Measurment type**	**Level**
Lagging	Quantitative	Strategic

Data profile

Data capture period	Standard reporting frequency	Data integrity
Spot	Monthly	High

Automation fit

Recommended

Limitations

Up-to-date expense tracking is required to ensure reporting is accurate. There usually is a delay between the end of the month and when reports are available, to enable the closing of accounts.

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Targets

Benchmarking fit

Suitable

Notes

Targets should be set according to the internal procedures and standards. If the case of projects with large budgets, a deviation of +/- (5-10%) can be a large amount of money, so a +/- (3-5%) target is more appropriate.

Threshold exemple

Red: +/- >15%

Yellow: +/- (10-15%)

Green: +/- 10%

Analysis and resources

Overall notes

Budget deviation analysis is a direct mean of control of the company's financial discipline in terms of budget execution according to the terms initially agreed upon.

Additional resources

http://business.illinois.edu/doogar/302/Supp/Day11sol.ppt

http://www.epmbook.com/accounts.htm

http://www.jefferson.edu/controller/reports/documents/ReadingaBudgetVarianceReport.ppt

http://www.ewp.rpi.edu/hartford/~stoddj/FinancialModels/Horngren/horngrenima14e_ch08.ppt

References

1. City of Atlenta Online (2010), "General Fund (1001) - Budget Variance Analysis", available at: http://www.atlantaga.gov/client_resources/government/finance/2010/jan_2010.pdf
2. City of Merafong (2010), "2010-2011 Plan - Section C, D, E & F" available at: http://www.merafong.gov.za/DataFiles/file/IDP%20201011/SECTION%20C-F.pdf
3. University of Minnesota (1999), "Budget Variance Summary", available at: http://financial.reports.umn.edu/reports_demo/budvar.htm

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Functional Areas	Sub-categories	Industries
Human Resources	Recruitment	Any
KPI record	**Indicator type**	**Unit type**
sK241	smartKPI	#

Name

Open job requisitions

Definition and variations

Definition

Measures how many job positions are open overall for the organization or in each department, division or area. They may refer to current or impending vacancies, or newly created positions.

Variations

Approved open job requisitions
Job vacancy
Open job requisitions by level

Related KPIs

Recruiter to open requisitions ratio

Tags

job, vacancy, requisition

Calculation

Subordinate measures used for calculation

A = # Open job requisitions approved for filling in a given period

Calculation formula	Formula type	Trend is good when
A	Volume	Decreasing

Focus

Purpose

To provide a clear and structured indication of the outstanding job vacancies in the process of being filled. Variations may also take into consideration the position status and the requisition status.

BSC perspective	Measurement focus	Impact stage
Internal Processes	Volume	Process
Indicator focus	**Measurment type**	**Level**
Leading	Quantitative	Operational

Data profile

Data capture period	Standard reporting frequency	Data integrity
Spot	Monthly	Medium

Automation fit

Recommended

Limitations

Accurate tracking requires a robust HR management system that integrates requisition status from across the organization.

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Targets

Benchmarking fit

Unsuitable

Notes

Targets should be set in accordance with the size of the organization, its business plan and the resourcing of the recruitment function.

Threshold exemple

Red: >10 Yellow: 10-5 Green: <5

Analysis and resources

Overall notes

Accurate open requisitions tracking assists the recruitment team in scheduling workload and improving the efficiency of the recruitment process. In addition, open requisitions reporting can be useful in monitoring hiring trends.

Additional resources

http://www.orgplus.com/products/orgplus-enterprise/org-chart-resources/kpi/open-requisitions.htm

References

1. Fernandez, R. M. & Mors M. L. (2008), "Competing for jobs: Labor queues and gender sorting in the hiring process", Social Science Research, Vol. 37, pp. 1061â€“1080, available at: http://faculty.london.edu/lmors/assets/documents/Fernandez_Mors_SSR_2008.pdf
2. Howard University Human Capital Management, "Recruiting Solutions FAQ", available at: http://www.howard.edu/peoplesoft/documents/HCMFAQ.pdf
3. Olivas-LujÃ¡n, M., R. (2003), "Determinants of the assimilation of information technologies in human resource service delivery in Canada and the United States of America", PhD. thesis, available at: http://etd.library.pitt.edu/ETD/available/etd-07232003-191847/unrestricted/Olivas-LujanMR_etd2003.pdf

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Functional Areas	Sub-categories	Industries
Human Resources	Recruitment Recruitment / Employment Activities	Professional Services
KPI record	**Indicator type**	**Unit type**
sK688	smartKPI	#

Name

Average time to fill a vacant position

Definition and variations

Definition

Measures the average number of days between the moment when a job requisition is raised to when a new employee fills the role.

Variations

Average time to recruit
Time to fill a vacant position
Time-to-hire

Related KPIs

Employment brand strength

Tags

time

Calculation

Subordinate measures used for calculation

Ai = # Time to fill position 'i', where i=1 to n
n = # Positions filled

Calculation formula	Formula type	Trend is good when
(A1+A2...+An)/n	Average	Decreasing

Focus

Purpose

To indicate the efficiency of the recruitment process.

BSC perspective	Measurement focus	Impact stage
Internal Processes	Duration	Process
Indicator focus	**Measurment type**	**Level**
Leading	Quantitative	Operational

Data profile

Data capture period	Standard reporting frequency	Data integrity
Rolling average	Monthly	Medium

Automation fit

Not recommended

Limitations

Measurement requires data from all recruitment projects, across all teams and sections, which can make it difficult to automate the collection process.

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Targets

Benchmarking fit

Suitable

Notes

Targets are very useful for recruitment managers to establish expectations based on a reasonable level of service. In addition, recruiting agencies may find useful for comparison to competition, as clients demand on-time services.

Threshold exemple

Red: >60 Yellow: 40-60 Green: <40

Analysis and resources

Overall notes

It can be used by both Human Resources departments and recruitment agencies. For HR departments, "# Recruitment lag time" may be a more relevant KPI, as this measures the time it takes to actually replace an employee, which can affect the company's productivity.

Additional resources

http://www.ere.net/2004/07/27/understanding-time-to-hire-metrics-can-time-to-fill-be-too-low/

References

1. Montgomery Country (2008), "FY08 Operating Budget and Public Services Program", available at:
http://www.montgomerycountymd.gov/content/omb/FY08/psprec/human_resources.pdf
2. Pricewaterhouse Coopers (2007), "2007 Global Metric List", available at:
http://www.pwc.com/en_CA/ca/tax/saratoga/publications/saratoga-07-global-metric-en.pdf
3. Washington State Department of Labor & Industries (2007), "Human Resource Management Report", available at:
http://www.accountability.wa.gov/reports/safety/20071113/LNIFullHR.pdf

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Functional Areas	Sub-categories	Industries
Human Resources	Efficiency and Effectiveness	Any
KPI record	**Indicator type**	**Unit type**
sK769	smartKPI	%

Name

% Performance appraisals completed on time

Definition and variations

Definition

Measures the proportion of employee performance appraisals completed as scheduled, from the total number of appraisals due.

Variations

% Appraisals completed on time
% Performance evaluations completed on time

Related KPIs

% Performance rating distribution

Tags

evaluation

Calculation

Subordinate measures used for calculation

A = # Performance appraisals completed on time
B = # Performance appraisals due

Calculation formula	Formula type	Trend is good when
(A/B)*100	Rate	Increasing

Focus

Purpose

To assess the efficiency and effectiveness of the performance evaluation process.

BSC perspective	Measurement focus	Impact stage
Learning & Growth	Volume	Process
Indicator focus	**Measurment type**	**Level**
Leading	Quantitative	Strategic

Data profile

Data capture period	Standard reporting frequency	Data integrity
Spot	Monthly	Low

Automation fit

Not recommended

Limitations

Accurate reporting requires a well functional HR management system to track performance appraisals' status at any point. While it is a direct measure of volume in the process of performance appraisal, it is only an indirect measure for the quality of evaluation processes.

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Targets

Benchmarking fit

Suitable

Notes

For compliance purposes, the achievement of the target set for this KPI is essential. While 100% is difficult to achieve due to staff leave, 90% achievement should be a minimum target.

Threshold exemple

Red: <75%
Yellow: 75-90%
Green: >90%

Analysis and resources

Overall notes

At individual level, performance measurement through employee appraisals and reviews is one of the most commonly found HR management processes. Managers and HR coordinators assess periodically the performance of employees using a structured process such as a formal performance appraisal.

Additional resources

http://www.usfa.dhs.gov/pdf/efop/efo41107.pdf

http://onlinelibrary.wiley.com/doi/10.1111/j.1748-8583.2001.tb00046.x/abstract

http://tower.excelahealth.org/Helpfiles/185445-WorkingTogetherPerformanceMgmt2009.pdf

http://www.integratingperformance.com/pages/individual-level/analysis/

http://nciph.sph.unc.edu/accred/health_depts/materials/GuidanceDocument7-1-08.pdf

http://personnel.ky.gov/NR/rdonlyres/C0D4C41B-F6AB-4B74-BC5E-EDB2B88AFB46/0/EvaluateYourPerformanceManagementProcess.pdf

References

1. Carolina College of Health Sciences (2007), "Annual Report 2007", available at: http://www.carolinascollege.edu/PDF/Annual_Report2007.pdf
2. NC Office of State Personnel (2008), "Evaluate your performance management process", available at: http://www.performancesolutions.nc.gov/motivationinitiatives/performancemgmt/ReinventingPerformanceManagement/evaluate.aspx
3. Redland Shire Council (2005), "Operational Plan 2004/05", available at: http://web01.redland.qld.gov.au/robo/Minutes_Agendas/MinutesAgendas04/June/Agendas/16_June_Finance_Corporate_Management/Agenda_June_16_04_Finance_Corporate_Management_files/Operational_Plan_2004-2005.pdf

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Functional Areas	Sub-categories	Industries
Portfolio and Project Management	Portfolio Management	Any
KPI record	**Indicator type**	**Unit type**
sK2863	smartKPI	%

Name

% Active running projects on time, on budget and according to specifications

Definition and variations

Definition

Measures the percentage of active projects that are in the process of being implemented and are on time, on budget and according to specifications from overall currently running projects.

Variations

% Departmental projects on time, on budget and according to specifications
% Active running projects on time, on budget and according to specifications
% HR projects on time, on budget and according to specifications

Related KPIs

% Projects on budget

Tags

project management

Calculation

Subordinate measures used for calculation

A = # Active running projects on time, on budget and according with the specified quality norms
B = # Active running projects

Calculation formula	Formula type	Trend is good when
(A/B)*100	Rate	Increasing

Focus

Purpose

To indicate the delivery quality and efficiency in running and implementing current projects.

BSC perspective	Measurement focus	Impact stage
Internal Processes	Quality	Process
Indicator focus	**Measurment type**	**Level**
Leading	Quantitative	Operational

Data profile

Data capture period	Standard reporting frequency	Data integrity
Spot	Monthly	Medium

Automation fit

Not recommended

Limitations

It is necessary to use an enterprise performance management system to centralize project status reports and track clearly defined stages of implementation with regards to the time, budget and required specifications.

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Targets

Benchmarking fit

Suitable

Notes

It is desirable to have as many current active projects that progress as planned. Though a desirable level of this indicator is closer to 100%, this target is difficult to reach due to the volatile nature of many factors that can influence a project's successful implementation. Some of the factors can be anticipated in the planning phase of the project and therefore prevented from happening.

Threshold exemple

Red: <30% Yellow: 30-60% Green: >60%

Analysis and resources

Overall notes

The fact that project requirements change many times from a variety of reasons could affect in many occasions the time schedule and the money component of a project implementation. Though cost-schedule metrics do not always reflect the most important issues to cause projects to fail or succeed, correlated with quality standards, they can offer a broader image upon the implementation process of the project.

Additional resources

http://www.nextstudent.com/student-loan-blog/blogs/sample_weblog/archive/2008/08/12/1001.aspx

http://www.ambysoft.com/surveys/success2010.html

http://www.fig.net/pub/fig2010/papers/ts03m/ts03m_dimgba_ikpe_4260.pdf

http://www.concept.ntnu.no/attachments/058_2006_olsson_project_flexibility.pdf

References

1. Chui, K. , "Organization Project Management Maturity Model", available at: http://www.hkcs.org.hk/en_hk/misc/industry_update/journal/OPM3_050607_HKCS.pdf
2. The KPI Working Group, Department of the Environment, Transport and the Regions (2000), "KPI Report for The Minister for Construction", available at: http://www.bis.gov.uk/files/file16441.pdf
3. Appelo, J. (2008), "Every Project Will Fail", available at: http://www.noop.nl/2008/03/every-project-w.html

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Functional Areas	Sub-categories	Industries
Production & Quality Management	Quality Management	Any

KPI record	Indicator type	Unit type
sK2284	smartKPI	%

Name

% Processes optimized

Definition and variations

Definition

Measures the percentage of work processes that are mapped, improved and optimized, from overall work processes implemented within the organization.

Variations

% Departmental processes optimized
% HR processes optimized
% Critical processes optimized
% Work processes optimized

Related KPIs

Critical business processes supported by obsolete IT infrastructure

Tags

processes, optimization

Calculation

Subordinate measures used for calculation

A = # Work processes optimized
B = # Work processes

Calculation formula	Formula type	Trend is good when
(A/B)*100	Rate	Increasing

Focus

Purpose

To indicate the quality level of the management system, expressed by the ability to provide an optimum environment in terms of work systems for the staff members to operate in.

BSC perspective	Measurement focus	Impact stage
Internal Processes	Quality	Process

Indicator focus	Measurment type	Level
Leading	Quantitative	Strategic

Data profile

Data capture period	Standard reporting frequency	Data integrity
Month	Monthly	Medium

Automation fit

Not recommended

Limitations

Accurate reporting for this KPI is dependent on a well maintained list of the organizational work processes, mapped and thoroughly assessed, in order to be able to generate optimization solutions. Data reporting requires human intervention, making reporting automation not viable.

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Targets

Benchmarking fit

Unsuitable

Notes

Targets may vary based on the current enterprise architecture, the management's focus on internal capacity building and structuring the work processes.
A high percentage of optimized processes reveals that the process management system is well articulated and refined periodically.

Threshold exemple

Red: <60%

Yellow: 60-80%

Green: >80%

Analysis and resources

Overall notes

It is a popular KPI across departments, as optimized processes is a managerial responsibility in any functional area.

At industry level, this KPI is frequently used in manufacturing and chemical processes, due to the strong correlation of work process structure and the waste management costs. Process systems engineers are required to integrate their processes to achieve both cost efficient and speed required objectives, while keeping the process flow readily operable.

No matter the industry or the size of the organisation, having an integrated framework for multi-objective optimisation problems between various goals in the flowchart design is becoming an imperative nowadays.

Additional resources

http://www.aurelbrudan.com/tag/processes-optimised/

References

1. Alhammadi, H., Y. (2005), "Operational Issues Towards Optimised Processes", available at:
http://www.nt.ntnu.no/users/skoge/prost/proceedings/escape15/papers/CM-032.pdf
2. Najmi, A. (2010), "Taking an Optimized Approach to Inventory Management", available at:
http://www.jda.com/file_bin/whitepapers/Optimized_Approach_to_Inventory_Management_byline.pdf
3. Strategic Approach to International Chemicals Management (2010), "Rockwell's optimised process reporting", available at:
http://www.instrumentation.co.za/article.aspx?pklarticleid=6176

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Functional Areas	Sub-categories	Industries
Human Resources	Retention	Any
KPI record	**Indicator type**	**Unit type**
sK1836	smartKPI	#

Name

Employee engagement index

Definition and variations

Definition

Measures the engagement level of employees in their work activities and responsibilities in terms of enthusiasm, commitment and discretionary effort.

Variations

Employee engagement

Related KPIs

% Adherence to values and mission

Tags

engagement

Calculation

Subordinate measures used for calculation

A = # Employee engagement
Surveys assessing employee engagement are usually tailored to each organization.
They use structured questioning to assess employee discretionary effort and whether they find their work stimulating.

Calculation formula	Formula type	Trend is good when
A, based on survey	Index	Increasing

Focus

Purpose

To indicate the level of engagement and commitment of employees, as this impacts turnover rates and leads to superior customer service.

BSC perspective	Measurement focus	Impact stage
Learning & Growth	Satisfaction	Outcome
Indicator focus	**Measurment type**	**Level**
Leading	Quantitative	Strategic

Data profile

Data capture period	Standard reporting frequency	Data integrity
Spot	Quarterly	Low

Automation fit

Not recommended

Limitations

The accuracy of data can be limited by respondents' subjectivity, as the calculation of this indicator is based on survey results.

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Targets

Benchmarking fit

Unsuitable

Notes

The threshold example is expressed in points (100 maximum) and has just an exemplification purpose. Organizations construct various scales to measure employee engagement and targets can vary from one industry to another depending on the employees' profile. Younger employees are usually more susceptible to enthusiasm and commitment problems.

Threshold exemple

Red: <75 Yellow: 75-95 Green: >95

Analysis and resources

Overall notes

There are studies that suggest employee engagement can be driven by various company efforts, such as facilitating the development of skills for the employees, giving them a sense of trust and integrity and clarifying their opportunities for future career development.

Additional resources

Gibbons, J., (2006), "Employee Engagement A Review of Current Research and Its Implications", The Conference Board of Canada Report, Ottawa, CA

http://www.smartkpis.com/blog/2010/03/03/employee-engagement-index/

http://www.smartkpis.com/blog/2011/01/28/employee-engagement-at-western-union-malaysia-%E2%80%93-a-case-study/

http://www.burke.com/services/eerm/services.cfm?id=233

References

1. Crabtree, S. (2004), "Getting Personal in the Workplace", The Gallup Management Journal, available at: http://govleaders.org/gallup_article_getting_personal.htm
2. Motorola, (2004), "Motorola Engagement Survey", CEO Metrics and Analytics Network, available at: http://www.marshall.usc.edu/assets/037/8706.pdf
3. Vancity (2003), "Employee engagement index: breakdown of questions", available at: https://www.vancity.com/AboutUs/OurBusiness/OurReports/AccountabilityReport/0203AccountabilityReport/CommitmentFour/EmployeeEngagementIndex

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Functional Areas	Sub-categories	Industries
Knowledge and Innovation	Innovation	Any
KPI record	**Indicator type**	**Unit type**
sK4657	smartKPI	#

Name

Ideas for new or improved services

Definition and variations

Definition

Measures the volume of ideas coming from within the company to improve service or launch new services.

Variations

New service/improvement ideas
Ideas for improved or new services
Ideas for improved/new services per employee
Ideas for new/improved services

Related KPIs

New services launched

Tags

portfolio

Calculation

Subordinate measures used for calculation

A = # Ideas for new or improved services

Calculation formula	Formula type	Trend is good when
A	Volume	Increasing

Focus

Purpose

To assess and develop the innovation capability, which is essential for sustainable growth (by providing competitive advantage) in an increasing number of industries (i.e. Professional Services, Software Development, Advertising and Research & Development).

BSC perspective	Measurement focus	Impact stage
Learning & Growth	Volume	Input
Indicator focus	**Measurment type**	**Level**
Leading	Quantitative	Strategic

Data profile

Data capture period	Standard reporting frequency	Data integrity
Month	Monthly	Medium

Automation fit

Recommended

Limitations

A centralized register of ideas that feeds data in the reporting tool is a prerequisite of data accuracy and automation. It only reflects the ideas for service innovation, not the actual number that are put into practice.

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Targets

Benchmarking fit

Suitable

Notes

Targets may vary based on size, strategy and innovation capability maturity. The Federal average number of improvement ideas in Germany is 0.3 ideas per employee per year. Toyota generates 30 ideas per employee per year. The number of improvement ideas can reach several thousands for large organizations (i.e. 6,800 in 2003 for Baptist Hospital Inc., winner of the Baldrige Quality Award the same year).

Threshold exemple

Red: <3 Yellow: 3-10 Green: >10

Analysis and resources

Overall notes

Measurement requires prior development of a data collection mechanism, meaning a standardised manner of developing and counting improvement ideas. Special programs may need to be put in place to increase ideas generation.

Additional resources

http://hsp-ag.com/creativity-management.htm

http://www.informaworld.com/smpp/content~content=a772083751~db=all~order=page

http://www.pwc.com/us/en/issues/competitive-leadership-model/operations-lead.jhtml

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1. Cadwalleder, S., Burke Jarvis, C., Bitner, M., J. & Ostrom, A., M. (2010), "Frontline employee motivation to participate in service innovation implementation", Journal of the Academy of Marketing Science, Vol. 38, No. 2, pp. 219-239
2. Fermilab (2003), "Fermilab Self Assessment FY2003", available at: http://www.fnal.gov/directorate/FY03_SA-Rprt-2.pdf#page=74
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5. The Pennsylvania State University, "Entrepreneurial Services", available at: http://css.its.psu.edu/es

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Functional Areas	Sub-categories	Industries
Human Resources	Talent Development	Any
KPI record	**Indicator type**	**Unit type**
sK4659	smartKPI	#

Name

Certifications per employee

Definition and variations

Definition

Measures the average number of relevant professional certifications held by an employee.

Variations

Certifications per certified employee
Certifications per consultant

Related KPIs

% Training certificates
% IT operations staff with advanced ITIL certification

Tags

staff

Calculation

Subordinate measures used for calculation

Ai = # Certifications owned by employee 'i', where i=1 to n
n = # Employees

Calculation formula	Formula type	Trend is good when
(A1+A2...+An)/n	Average	Increasing

Focus

Purpose

To indicate the quality of technical education, as certifications attest the level of proficiency in a methodology. Certification is usually associated with higher levels of skills and knowledge and establish legitimacy in the relationship with stakeholders.

BSC perspective	Measurement focus	Impact stage
Learning & Growth	Volume	Input
Indicator focus	**Measurment type**	**Level**
Leading	Quantitative	Strategic

Data profile

Data capture period	Standard reporting frequency	Data integrity
Spot	Quarterly	Medium

Automation fit

Not recommended

Limitations

Accurate reporting for this KPI is dependent on a well maintained register of certifications. Possessing a certification does not always guarantee highly skilled employees. This measure can be incomplete in some cases.

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Targets

Benchmarking fit

Suitable

Notes

Given the universality of the measure, it suits benchmarking very well. Targets may vary based on the industry. In some industries (i.e. healthcare, law enforcement, call-center) a minimum level of certification is required by law. In others (i.e. manufacturing), certification is required for compliance and as part of quality improvement programs. In professional services, certifications may be beneficial in establishing legitimacy in the relationship with prospective or existing customers.

Threshold exemple

Red: <1 Yellow: 1-3 Green: >3

Analysis and resources

Overall notes

Organizations need to decide which certifications are relevant overall and for individual departments.
A variation of this indicator includes in the calculation only the number of staff members with a certification.

Additional resources

http://www.avanade.com/Documents/Resources/BTS/Customer-Relationship-Management/AOS_ConvergenceIntroduction.pdf

http://www.bigbuilderonline.com/industry-news-print.asp?sectionID=27&articleID=75778

References

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3. State of Louisiana (2010), "LaGov ERP Project Business Blueprint", available at: http://www.doa.louisiana.gov/erp/pdfs/linear.pdf#page=30
4. Thor, C., G. (1995), "Using a Family of Measures To Assess Organizational Performance", National Productivity Review (1986-1998), Vol. 14, No. 3, pp. 111-132

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Functional Areas	Sub-categories	Industries
Human Resources	Talent Development	Any
KPI record	**Indicator type**	**Unit type**
sK7	smartKPI	#

Name

Training hours per full time equivalent (FTE)

Definition and variations

Definition

Measures the training each Full Time Equivalent (FTE) receives in a given time period. An FTE of 1.0 is equivalent to a full-time worker.

Variations

Training hours per employee per year
Training days per employee per year
Training hours / days per employee - by type of employee

Related KPIs

Time in training

Tags

training

Calculation

Subordinate measures used for calculation

A = # Total training hours
B = # Full time equivalent staff

Calculation formula	Formula type	Trend is good when
A/B	Ratio	Increasing

Focus

Purpose

To indicate the time and resources invested in employee development, learning and growth processes. Employees with less training are likely to underperform.

BSC perspective	Measurement focus	Impact stage
Learning & Growth	Duration	Process
Indicator focus	**Measurment type**	**Level**
Leading	Quantitative	Strategic

Data profile

Data capture period	Standard reporting frequency	Data integrity
Month	Monthly	Low

Automation fit

Not recommended

Limitations

It is difficult for large organizations to track all staff training. An ability to monitor the number of hours and number of participants for each training session is a prerequisite of using this KPI.
The data source is usually the learning / training management system or database.

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Targets

Benchmarking fit

Suitable

Notes

When setting targets, organisations should take into consideration their business development strategy, and compare required competencies to existing ones. Management and employees' interest in training as well as previous levels of this indicator should be considered. Benchmarking is common for this measure, generally within each industry. For example, in the consulting industry the average is 480h/year, with some companies reaching 600h/year. Average organisations should aim for 80h/year.

Threshold exemple

Red: <2; >8 Yellow: 2-4; 6-8 Green: 4-6

Analysis and resources

Overall notes

How training needs are determined, how training is viewed by employees and how training is delivered, all inform the establishment and use of this KPI.

Methods for gaining knowledge other than traditional classroom training, such as coaching and mentoring, may also be considered as indirect forms of training. For example, new employee orientation sessions are a significant contributor to the fast integration of new employees.

The usefulness of this KPI depends on the quality of training and its impact on workers' abilities. Training enables better employee performance. It contributes to employee skills development and provides them with the knowledge they need to perform better. Training generally increases employee loyalty and retention. It also helps organisations to attract employees with an interest in learning and development.

The assumption is that part-time employees, working half the time a full time employee does, receive half the training hours a full time employee does. If organizations prefer to offer the same volume of training to all employees, a modified form of this KPI should be used: # Training hours per employee.

Overall, the effectiveness of training is a more relevant KPI, particularly when organisations need monetary proof that the training produced results.

Additional resources

http://www.webcpa.com/news/1-Percent-Advantage-52075-1.html

http://www.performancesolutions.nc.gov/metrics/SelectingHighImpactMetrics/docs/FrequentlyUtilizedHR_Metrics.pdf

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2. Feddesk (2006), "Strategically Planning Training & Measuring Results", available at: http://www.feddesk.com/freehandbooks/101206-1.pdf
3. The American Society for Training & Development Forum, "Hours Per Employee" discussion, available at: http://community.astd.org/eve/forums/a/tpc/f/5401062/m/60710384
4. Westfarmers (2009), "Wesfarmers Sustainability Report 2009 Bunnings", available at: http://www.wesfarmers.com.au/sustainabilityreport2009/bunnings.html

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Functional Areas	Sub-categories	Industries
Human Resources	Retention	Any
KPI record	**Indicator type**	**Unit type**
sK5912	smartKPI	#

Name

Employee satisfaction

Definition and variations

Definition

Measures the employees' satisfaction and motivation level with aspects regarding the job and working environment: job responsibilities, team and management, workplace and professional development.

Variations

Satisfaction level among employees
Average employee satisfaction

Related KPIs

Employee advocacy for products and services

Tags

satisfaction

Calculation

Subordinate measures used for calculation

A = # Employee satisfaction
Surveys assessing employee satisfaction are usually tailored to each organization. They use structured questioning to investigate employee satisfaction ar

Calculation formula	Formula type	Trend is good when
A, based on survey	Index	Increasing

Focus

Purpose

To indicate the level of satisfaction and motivation of employees, as high levels of satisfaction lower turnover rates, leading to higher performance and superior customer service.

BSC perspective	Measurement focus	Impact stage
Learning & Growth	Satisfaction	Outcome
Indicator focus	**Measurment type**	**Level**
Leading	Quantitative	Strategic

Data profile

Data capture period	Standard reporting frequency	Data integrity
Spot	Quarterly	Low

Automation fit

Not recommended

Limitations

The accuracy of data can be limited by respondents' subjectivity, as the data is based on survey results.

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Targets

Benchmarking fit

Unsuitable

Notes

The threshold examples can be expressed as percentage or points (100 maximum). HR managers use various scales to measure employee satisfaction based on customized survey, and targets can vary from one organization to another. Younger employees are usually more motivated towards their jobs and work.
Benchmarking of this KPI is not recommended, due to the variety of questions used by organizations in their surveys.

Threshold exemple

Red: <60% Yellow: 60-80% Green: >80%

Analysis and resources

Overall notes

Studies suggest a direct correlation between employee satisfaction and increased performance on customer satisfaction, even on financial results.

An interesting analysis of employee satisfaction was published by Fortune Magazine in 1997. Based on a 820-store survey conducted by Sears to determine the impact of employee attitude on the bottom line, it showed that improving employeesâ€™ attitudes with 5 point generated a 1.3 point improvement in customer satisfaction, which further yielded an improvement in revenue by 0.5%.

Additional resources

http://alignment.wordpress.com/2007/01/09/measuring-employee-satisfaction/Â

http://dot.alaska.gov/comm/about/assets/DOT-Report-to-Staff.pdf

http://www.superiorcourt.maricopa.gov/AdultProbation/docs/ESSResults02.pdf

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2. Sherman S. & Rucci A. (1997), "Bringing Sears into the new world", Fortune Magazine, available at: http://money.cnn.com/magazines/fortune/fortune_archive/1997/10/13/232506/index.htm
3. Yee R. W. Y., Yeung A. C. L. & Cheng T .C. E. (2008), "The Impact of Employee Satisfaction on Quality and Profitability in High-contact Service Industries", Journal of Operations Management 26, available at: http://repository.lib.polyu.edu.hk/jspui/bitstream/10397/627/1/JOM%20%28Accepted%29.pdf

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Functional Areas	Sub-categories	Industries
Human Resources	Retention	Any

KPI record	Indicator type	Unit type
sK1	smartKPI	%

Name

% Employee turnover

Definition and variations

Definition

Measures the rate at which employees leave the organization in a given time period (i.e. month, quarter, year).

Variations

% Employees that leave the organization in a given time period
% Employees that left the organization in the last 3 months
% Employee attrition
% Employee loyalty
% Employees fluctuation rate

Related KPIs

Net hire ratio

Tags

employees, loyalty, retention, turnover

Calculation

Subordinate measures used for calculation

A = # Employees that left the organization by the end of the reporting period
B = # Employees of the organization at the beginning of the reporting period

Calculation formula	Formula type	Trend is good when
(A/B)*100	Rate	Decreasing

Focus

Purpose

To indicate the level of employee satisfaction with the organization, as an unhappy employee is more likely to leave the organization.

BSC perspective	Measurement focus	Impact stage
Learning & Growth	Satisfaction	Outcome

Indicator focus	Measurment type	Level
Leading	Quantitative	Strategic

Data profile

Data capture period	Standard reporting frequency	Data integrity
Quarter	Quarterly	Medium

Automation fit	Limitations
Recommended	Difficult to obtain accurate figures if the HR systems are not enabled to timely capture the data for this KPI.

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Targets

Benchmarking fit

Suitable

Notes

Targets may vary based on the industry profile and the workforce trends on the market. A high turnover rate has a negative impact on business, due to the loss of knowledge, the cost of replacing employees and the duration of the replacement process. The positive impact of employee fluctuation is the influx of new ideas, capabilities and energy of the new employees.

Threshold exemple

Red: >30%

Yellow: 20-30%

Green: <20%

Analysis and resources

Overall notes

This measure may be influenced by the HR department performance, the working environment and work policies, the supervisor and team, as well as the promotion and professional development opportunities for the future. An exit interview is a frequently used procedure that is applied by HR specialists in order to assess and avoid the causes that determine a high employee turnover rate.

Additional resources

http://www.cipd.co.uk/subjects/hrpract/turnover/empturnretent.htm

http://www.acas.org.uk/index.aspx?articleid=1183Â

http://ideas.repec.org/p/iae/iaewps/wp2002n19.html

http://www.acas.org.uk/index.aspx?articleid=1183

http://www.chally.com/turnover_cost_calculator.htm

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3. Pinkovitz, H.W., Moskal, J. & Green, G. (1997), "How Much Does Your Employee Turnover Cost?", available at: http://www.uwex.edu/ces/cced/economies/turn.cfm

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Appendix A: Glossary of Terms

The following list provides an explanation of several popular terms characterizing KPIs:

Rate – A specific type of ratio expressed in many cases as part to whole. Examples of rates are the natality or mortality rate, expressed as the number of births or deaths per a certain number of population or the currency exchange rate, where the value of one currency is compared to the value of the other currency.

Ratio – A relation between two measures that might be distinct, but which are part of the same category of elements, such as the ratio of boys to girls, teachers to students, doctors to patients, revenues to expenditure.

Composition – A composite indicator is formed when individual indicators are compiled into a single index, on the basis of an underlying model of the multi-dimensional concept that is being measured. It measures multi-dimensional concepts (e.g. competitiveness, e-trade or environmental quality) which cannot be captured by a single indicator.

Index – A number computed from a specific formula or calculation methodology, used to characterize a complex set of data.

Leading – Drive the performance of the outcome indicators, being predictors of success or failure. Examples of leading indicators are: "% Employees involved in the innovation process", "% Conversion rate" or "% Inventory quality ratio (IQR)".

Lagging – Type of indicators that reflect the success or failure after an event has been consumed. Examples include: "$ Operating profit per room", "$ Earnings before interest and taxes (EBIT)" or "$ Cost avoidance savings".

Input – Reflects assets and resources invested in or used to generate business results. Examples include: "# Headcount", "$ Cost per broadcast hour" and "# Knowledge materials distributed to employees".

Process – Refers to the efficiency or productivity of a business process. Examples include: "% On time delivery", "# Conflicts arisen during the project", "# Average call handling time" and "# Mean time to repair".

Output – Measures the financial and nonfinancial deliverables or results of business activities. Examples include: "% Passenger seats sold", "# New customers acquired" or "$ Revenue per successful call".

Outcome – Reflects overall results or impact of the business activity in terms of generated benefits, as a quantification of performance. Examples include: "% Customer retention", "% Employee turnover", "$ Net income after taxes (NIAT)" or "% Brand awareness".

Qualitative – A descriptive characteristic, an opinion, a property or a trait. The most common ones gauge customer or employee satisfaction through subjective assessments. Based on a subjective interpretations of a customer's or employee's opinions. Oftentimes these type of indicators are not expressed numerically, but as narrative text. Sometimes a rating is allocated do rank between levels (i.e. Likert scale).

Quantitative – A measurable characteristic, resulted by counting, adding or averaging numbers. Quantitative data is most common in measurement and therefore forms the backbone of most KPIs. Operational systems that manage inventory, supply chain, purchasing, orders, accounting, financial systems, all gather quantitative data by means of KPIs. Other examples of quantitative KPIs are "# Employee tenure", "# Units per man-hour" or "# Maintenance backlog".

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Appendix B: Related Products

This report is part of a collection of smartKPIs.com products and services dedicated to Human Resources as a functional area:

Top 25 HR KPIs of 2010 report

HR Scorecard Pre-populated Excel Template

HR Dashboard Pre-populated Excel Template

HR Performance Management System Toolkit

KPIs, Dashboard & Scorecard for HR Training Course

Managing and Improving Individual Performance Training Course

More details are available at: **www.smartKPIs.com/Premium**

Appendix C: About eab group

Profile

Established in 2004, **eab group** is an innovative research driven provider of integrated performance management solutions, assisting organizations to achieve results by architecting performance.

Our expertise in strategy, organizational performance management, business intelligence and project management helps clients in sustainably delivering value for their stakeholders.

Our services include consulting, training, research and technology integration.

Team

- A core team complemented by a network of consultants and associates with a blend of practical business experience, strong consulting skills and an interest in academic research.
- Committed to using scientific methods and practical experience to deliver tangible and sustainable benefits.
- Highly trained: collectively, our team accumulated 6 Master degrees, 1 MBA and 1 PhD.
- Experienced: tens of Balanced Scorecard based performance management systems implemented, hundreds of scorecards and dashboards developed, thousands of KPIs selected and documented.

Experience

- Tens of Balanced Scorecard based performance management systems implemented.
- Successful deployments of operational performance management solutions: supplier scorecards, portfolio dashboards, project performance evaluations and benefits realisation management.
- Thousands of KPIs selected and documented.
- Portfolio, program project management and PMO operations.
- Performance management software selection, Excel Dashboards / Scorecard design.
- Development of knowledge portals.

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Appendix D: eab group Services

Pre-packaged solutions

1. Performance Management Pre-populated Templates

Developed in Microsoft Excel and Powerpoint, following optimal data visualisation and streamlined file administration principles.

- Operational KPI dashboards (preselected KPIs documented and grouped by theme)
- Balanced Scorecard based Organizational Performance Management Systems (Performance Architecture, Desired State of Evolution, Strategy Map, Performance Scorecard, Initiative Portfolio and Administration Process Map).

2. *smartKPIs Premium*

smartKPIs Premium is the premium section of the database, consisting of over 1,400 KPI examples preselected by the eab group's research team as the most relevant for practice. Thoroughly documented in over 30 fields, they make ***smartKPIs Premium*** the most comprehensive and well documented selection of Key Performance Indicator (KPI) examples in the world, the '*gold standard*' in KPI documentation.

3. Assessment / Audit / Review

Audit of organizational performance management systems at strategic, operational or individual levels.
Organizational capability assessment using eab group's proprietary tools:

- Performance Management Maturity Model
- Performance Measurement Maturity Model

4. Training

Core courses (1-2 days)

1. Integrated Performance Management: Linking Strategic, Operational and Individual performance;
2. Measuring and learning with Key Performance Indicators;
3. Implementing and using a Balanced Scorecard based performance management system;
4. Supplier Performance Management – Maximizing the value added by suppliers;
5. Solutions for improving the operational performance of Small and Medium Enterprises (SMEs).

KPIs, Dashboard and Scorecard for functional areas (1 day) – i.e. HR, IT, Marketing, Sales, Purchasing / Logistics.
KPIs, Dashboards and Scorecard for industries (1 day) - i.e. Medical Centres, Hotels, Real Estate Agencies.

Customized solutions

5. Organizational Performance Management Systems Implementations

- Integrated performance management systems based on the Balanced Scorecard.
- Application at all organizational levels, or limited to strategic level, operational level or individual level.

6. Key Performance Indicators Advice

- Overhaul of existing KPIs, by reviewing and updating them in accordance to organizational strategy and best practice.
- Assistance with KPI selection.
- KPI documentation support – customisation of smartKPIs Premium templates to reflect organizational needs.
- Development of customised KPI catalogues.
- Assistance in identifying reliable benchmarking resources.

7. Operational performance management solutions

Supplier performance management – Development and implementation of supplier scorecards for both products and services suppliers

Portfolio performance management

- Development of Portfolio Dashboards and Project Scorecards
- Identification of Key Risk Indicators and establishment of Risk Scorecards

Benefits realization management

- Development of benefits management plans
- Project or program evaluation

Alliances performance

- Establishment of Alliances Scorecards
- Development of Service Level Agreements

8. Strategic and operational planning

- Facilitation of strategic planning sessions.
- Strategic research: environmental scans, strategic planning tools deployment (Five forces, SWOT analysis, competitor review).

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Appendix E: eab group Online Portfolio

smartKPIs.com
The smart choice in performance management

At the core of **smartKPIs.com** is an online catalogue of over 6,400 KPI examples from 14 business functional areas and 24 industries. **smartKPIs Premium** is the premium section of the database, consisting of over 1,400 KPI examples preselected by the eab group's research team as the most relevant for practice. Thoroughly documented in over 30 fields, they make smartKPIs Premium the most comprehensive and well documented selection of Key Performance Indicator (KPI) examples in the world, the 'gold standard' in KPI documentation.
The community of members also benefits from interactive features such as Questions & Answers, comments and a set of performance measurement resources, among which over 1,000 examples of performance management reports.

purposefulIdentity
Values . Mission . Value drivers . Vision vmvdv.com

PurposefulIdentity.com contains a free online catalogue illustrating the use of corporate identity elements in practice by organizations from around the world. Registered users can explore, bookmark and comment on hundreds of referenced online resources that contain organizational values, mission statements, value drivers and vision statements used in actual business context.

integratingPerformance
All about Performance Management eabIP.com

IntegratingPerformance.com is an online platform for integrating performance management knowledge, at strategic, operational and individual levels. It reviews the evolution of Performance Management as well as the key tools, systems and software used at discipline at each of these levels. It combines the analysis of theory and architecture with insights regarding good practice and key directions, enabling visitors to gain comprehensive insights into the nature of Performance Management as an integrating discipline.

BalancedScorecardReview
Reviewing the BSC (r)evolution BSC20.com

BalancedScorecardReview.com is the most comprehensive online resource dedicated to the Balanced Scorecard. It contains a review of this popular management concept following its evolution and use around the world in various industries or companies. It presents its various interpretations, compares it to other concepts and explores its impact on organizations as well as the opinions of critics.

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Reviewing the BSC (r)evolution

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