

HR METRICS: THEIR ROLE IN ACHIEVING HIGHER PERFORMANCE IN PUBLIC SECTOR HUMAN RESOURCES

Every day, HR professionals in the public sector face challenges in recruiting and retaining talent, transacting critical personnel actions, and promoting and supporting employee success, among other key activities. In many cases, however, these activities are conducted without access to appropriate and timely information. As a result, decisions may be more reactive and tactical than strategic. And HR's efficiency and effectiveness may suffer.

How can HR be more strategic? How can it achieve higher performance? We believe that regular performance measurement is the key. It provides the information necessary for HR to function as a proactive and strategic asset, rather than as a strained cost center. As governments face the significant challenges of an aging workforce and increased competition for talent from the private sector, performance measurement becomes a more important tool; HR must strive to become ever more relevant to an organization's operations.

It seems, however, that HR is often left out of government conversations on performance measurement. Why? Perhaps, it's because HR professionals often don't know what appropriate performance metrics are, let alone how to quantify them.

Many departments are already collecting and reporting data on what are often inaccurate or misleading indicators of success. Further, most HR measures focus too much on one area—such as controlling costs—to give an accurate overall picture of performance.

Effective performance measures in HR should take a snapshot of the overall health of human resources within

the organization. HR can begin by asking these questions:

- How do we measure our success in HR?
- What information do we believe would help in making decisions?
- What information would help us to reach our goals or do our jobs better?
- How can we demonstrate our success to others?
- What are HR's greatest challenges?

It is these types of questions that get to the heart of what makes a performance measure meaningful: accurate, timely data that enable informed decision making and that demonstrate effort.

Measures should also align with HR's mission, especially as it relates to the present challenges. Recruiting efforts, for example, are a high priority, given the rising number of government employees eligible for retirement. Two specific performance measures, "time to fill" and "cost to hire," help in monitoring recruitment efforts.

"Time to fill" is the average number of days it takes to successfully fill a position, while "cost to hire" is the average cost of identifying a candidate and filling a position. While these measures afford a good overview, drilling down to break out specific groups of employees, like executives or administrative staff, reveals even greater detail.

Retaining talent is another important HR function and an area where monitoring performance can guide strategy. Monitoring the turnover rate, both voluntary and involuntary, over time enables HR to understand why good employees are leaving the organization or to determine whether a specific position is difficult to fill.

If recruitment is working well, hiring practices will match positions with people who have the appropriate skills and experience to complete the work. When employees do not "fit" their positions, they are more likely to leave the organization or even be terminated.

Turnover is also a good indicator of employee morale and should be used when assessing management. If a par-

ticular department is showing a high rate of turnover, this measure could point to problems with the work environment and with how the department is being managed.

Similar to turnover, absenteeism is another effective means of monitoring HR's performance in vetting candidates and filling positions. High absenteeism can greatly hinder an organization's operations and cause a loss of efficiency when employees assume additional responsibilities because of unexpected absences.

Frequent absenteeism often signals a failure in matching a candidate's skills and experience with an appropriate position. It may also indicate low performance in conducting the necessary background checks and reviewing a candidate's work history.

Setting such performance targets as a maximum number of days in which an employee problem should be resolved is another strategy for measuring different functions. Once a specific target has been set, HR can monitor performance related to the target.

For customer service, an organization could track its ability to resolve complaints within a given time period. An organization, for example, would learn that 67 percent of HR complaints were solved within three business days. This strategy can also be applied to processes like orientation, training, and application administration.

Establishing effective HR performance measures may seem daunting, but it's important to remember that HR measures speak not only to HR's performance but also to the health of the entire organization. This point in itself may be the best reason to get HR back into the performance measurement conversation.

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