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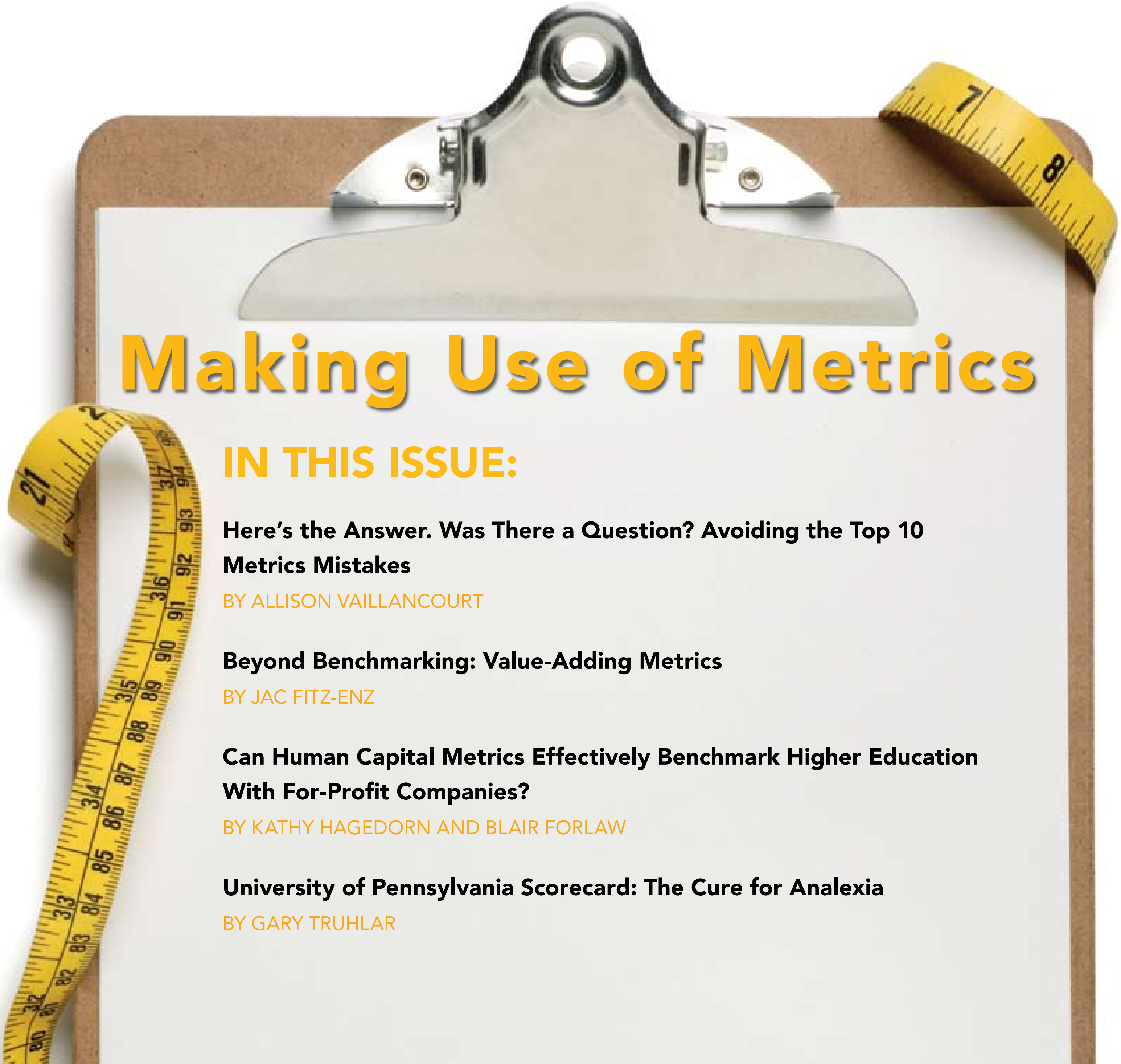

Making Use of Metrics

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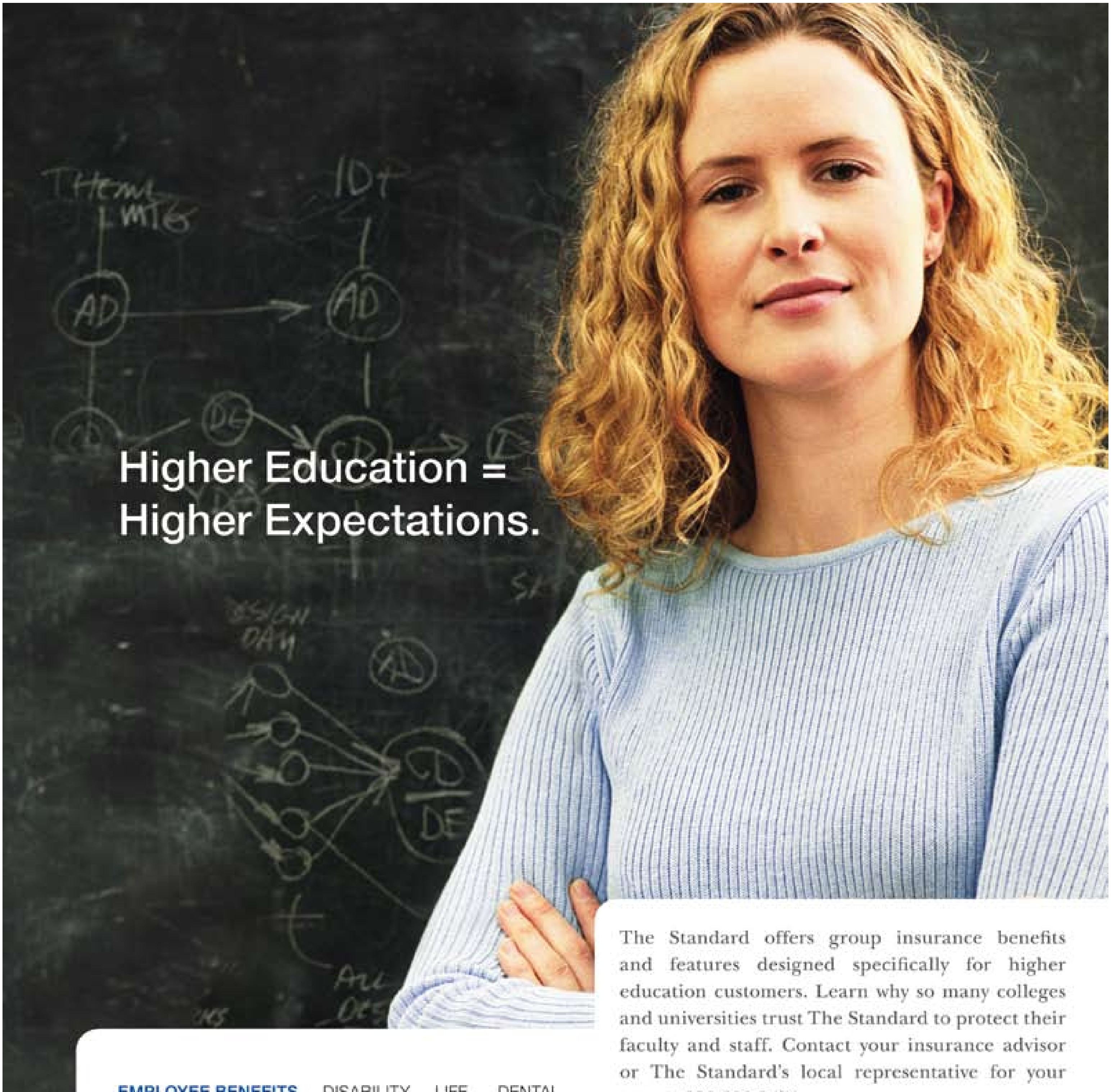

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It's no secret that all organizations wish to better themselves, and the best way to do so is to measure past successes and failures and apply these measurements to the future. In higher education, this means creating a metrics strategy that addresses the particular needs of your institution. There is no "one-size-fits-all" metrics program, but there are some common metrics errors many institutions make. This article examines 10 metrics mistakes and how your organization can avoid them.

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HR metrics has grown up a bit over the past two decades, moving away from simple benchmarking practices and toward a more inclusive approach to measuring institutional performance and progress. In this article, the acknowledged "father" of human capital performance benchmarking provides an overview of several aspects of today's HR metrics strategies that enable us to "manage tomorrow today."

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Last fall, Saint Louis University participated in St. Louis, Missouri's, first Human Capital Performance Study alongside several of the region's largest for-profit employers. The university also participated this year in the benchmarking of employee engagement factors conducted by the *St. Louis Business Journal* in its effort to quantify and select the "Best Places to Work" in the region. This article recaps the biggest lesson learned from these studies: that the academy is neither adept nor disciplined in capturing human capital performance data; but when these data are captured, a university can perform very well in comparison with companies from the for-profit sector.

Page 24 - University of Pennsylvania Scorecard: The Cure for Analexia
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A few years ago, the University of Pennsylvania's Division of Human Resources began a data-based approach to the development of strategic plans and the measurement of programmatic effectiveness. One of its more successful endeavors in this area has been the creation of an HR scorecard that compares and contrasts individual school or administrative center performance with the entire university profile. This article describes the scorecard and its production, its objectives, and the impacts it has had on the university's human resource processes.

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Here's the Answer. Was There a Question? Avoiding the Top 10 Metrics Mistakes

BY ALLISON VAILLANCOURT, PH.D., SPHR

In the world of higher education human resources, the right data can support evidence-based decision making by predicting behavior, forecasting emerging talent needs and uncovering areas of vulnerability. But which data indicators are the right data indicators? And what should we do with the data once we collect it? It is wise to develop a metrics strategy that addresses the particular needs of your organization, but there is no one-size-fits-all metrics program. There are, however, some definite wrong ways to go about metrics. This article examines the top 10 metrics mistakes and how your institution can avoid them.

Introduction

In *Competing on Analytics: The New Science of Winning,* Thomas H. Davenport and Jeanne G. Harris discuss the transformational power of meaningful data. Through a series of engaging vignettes, they report that the right data helped Harrah's portfolio of casinos to achieve extraordinary customer loyalty and Dell Computer to realize unparalleled returns on its advertising dollars (Davenport & Harris 2007). Davenport and Harris assert that organizations with a focused and deliberate approach to collecting and analyzing data enjoy a competitive advantage over those that don't. The examples they provide illustrate that metrics holds promise as a strategy for enhancing performance rather than simply serving as a tool for documenting activity.

In the world of higher education human resources, the right data can support evidence-based decision making by predicting behavior, forecasting emerging talent needs and uncovering areas of vulnerability. But which data indicators are the right data indicators? And what should we do with the data once we collect it? More importantly, how do we move from reporting activity (which is easy) to measuring impact (which is not)?

Difficulty in framing an appropriate metrics framework paralyzes many organizations. Some believe there is a definitive set of HR metrics and the desire to "get it perfect" often prevents them from getting started. Is there a standard set of metrics appropriate for most organizations? Absolutely not, though Table 1 provides a set of frequently-used indicators.

During a recent presentation on organizational metrics, I provided participants with a set of common HR metrics and asked them to choose the three most meaningful pieces of data. The people I called upon provided very different responses. One person wanted to focus on turnover. Another was especially interested in training. And the third wanted to know how people learned about employment opportunities. So, who chose the most important metrics? They all did. Each person selected the data elements they needed to address the challenges that their respective institutions were facing. It is reasonable and wise to develop a metrics strategy that addresses the particular needs of your organization, and know that there is no one-size-fits-all metrics program.

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Table 1: Sample Metrics

COMPENSATION AND BENEFITS
Average annual salary by title/job family
Mean and median salaries by job title and job family
Aggregate salary distance from market
Comparative ratios by title/job family
Overtime expense per FTE
Percent of employees within each salary band
Benefits expense per FTE
Benefits expense as a percentage of total compensation
Health insurance participation rate by salary level
Health insurance contribution percentages compared to peers
Retirement plan contribution rates compared to peers
Percent of employees satisfied with pay and benefits

EMPLOYEE DEMOGRAPHIICS
Total number of employees
Percent of employees by gender
Percent of employees by ethnicity
Percent of employees by U.S. citizenship status
Percent of employees by age band
Gender distribution of managers and senior leaders
Ethnicity distribution of managers and senior leaders
Age distribution of managers and senior leaders
Average age by employment type
Average retirement age by employee type
Percentage of employees with advanced degrees

ENGAGEMENT
Percent satisfied with communication
Percent satisfied with the resources they have to complete their work
Percent satisfied with feedback from their supervisor
Percent who look forward to coming to work every day

HIRING/RECRUITMENT STATISTICS
annual vacancies
jobs filled annually to fill vacancies
jobs filled annually to fill new positions
Average time to start
Diversity of annual hires
Percent of first offers accepted
Offer acceptance rate
Percent of employees promoted annually
Average number of applicants per position
Average number of applicants by position type
Reports on how applicants learned of openings
Rehire rate
External hire rate

LEAVE-RELATED COST AND STATISTICS
Unscheduled absence rate
Percent of STD claims per year
Percent of FMLA claims per year
Workers' compensation premium per FTE

PERFORMANCE EVALUATION
Percent of employees with a formal performance evaluation on file
Distribution of evaluation ratings by department/division

PRODUCTIVITY
Grant funding per faculty member
Student credit hours per faculty member

PROFESSIONAL DEVELOPMENT
hours of training provided per employee
Percent of employees participating in internal development programs

TURNOVER
Aggregate turnover rates
Turnover rates by years of service
Turnover rates by gender
Turnover rates by ethnicity
Turnover rates by division
Turnover rates by salary band
Turnover rates by job family and occupation
Turnover rates by performance rating
Involuntary termination rate
Voluntary termination rate
Percent employees passing probation periods

WORK ARRANGEMENTS
Percent of employees who telecommute
Percent full-time employees
Percent part-time employees
Percent on-call employees

The Top 10 Metrics Mistakes

While there is no one right way to manage a metrics program, there are some wrong ways, and they are described here as the "Top 10 Metrics Mistakes."

1. Confusing data with information.

While it is one thing to present data, it's quite another to provide information. Employees at General Motors called the phenomenon of measuring everything "DRIP: data rich, but information poor" (Sisk 2007). Providing tables and tables of data can be impressive, but it is not necessarily helpful. Albert Einstein is reported to have commented, "Many of the things you can count, don't count. Many of the things you can't count, really count." And so it is with HR metrics.

2. Presenting answers before developing questions.

While few organizations will want to admit this, "What data do we already have?" is often a starting point during conversations about reporting on HR or institutional metrics. It is far easier to report on quickly retrievable data than it is to develop data collection strategies required to answer critical questions.

"A total of 122 people resigned last year" is an easy piece of data to provide. "Which occupational groups have the most turnover and why?" will yield more interesting information, but takes more work. "A total of 213 people participated in college-sponsored professional development programming" is a pretty straightforward number to report, but what does it reveal? The question "Did the people who participated in professional development programs perform at higher levels than those who did not?" helps assess the value of an organization's professional development investment. "More than 75 percent of our advertising dollars were directed to the *Journal of Higher Education* and *State Courier*" reveals how an organization spent its money, but nothing about the impact of that investment. An organization would be better served by asking "Where did our first-choice candidates learn about our opportunities?"

3. Measuring activity rather than impact.

"A total of 4,386 people visited our employee service desk last year." "We processed 176 off-cycle pay increases last quarter." "Workers' compensation claims were submitted by 87 people during the last fiscal year." These might be called "so what" statistics. They don't tell a story or lend themselves to action. Rather than reporting on how many people visited an office, why not analyze the top five employee inquiries to determine opportunities for better Web-based information? And rather than reporting on the number of off-cycle pay increases processed, wouldn't it be more interesting to know why the off-cycle increases were required and in which departments and occupations? Instead of reporting on the number of workers' compensation claims, why not analyze the types of injuries occurring and which departments have the most activity?

4. Focusing on your HR department rather than your institution.

Metrics mistake #4 is closely related to mistake #3, but is perhaps even more dangerous. While there is certainly value in measuring departmental activity, there is typically little value in reporting it externally, as it may lend credence to notions about HR's obsession with "administrivia." Institutional leaders are typically more interested in knowing what's happening across the organization rather than how hard the folks in HR are working. A preoccupation with applications processed, visitors assisted and employees enrolled in benefits might convince leaders that HR is busy, but it won't convince them that it is doing anything important. High-impact metrics efforts help institutional leaders understand their organization by charting a path for reducing costs, increasing competitiveness, enhancing performance and reducing liability. Documenting HR activity accomplishes little of that.

5. Focusing on satisfaction rather than success.

"Was the person who took your call polite?" *Yes.*
"Were you treated in a respectful manner?" *Yes.*
"Did you receive your answer in a timely manner?" *Yes.*
"Did the response help you address your concern?" *No, but I appreciated how quickly my call was returned.*

While there are reasons to measure customer service quality, having a pleasant experience does not translate into having a successful experience. Let's face it; being nice or quick does not necessarily mean adding value. Customer service quality does not measure impact. This is not to say that HR departments — or any departments, really — shouldn't focus on customer service, but in order to measure impact, an organization would be wiser to ask all managers "How much did this unit contribute to your unit's productivity and success in reaching its goals?" (Sullivan 2004).

6. Believing more is more.

Sometimes more is more, but often more is too much and results in even the most meaningful data being ignored. Davenport suggests targeting data collection efforts on areas aligned with an organization's competitive strategy (Davenport 2006). HR strategist John Sullivan suggests choosing 8 to 12 metrics that measure HR's impact on the organization (Sullivan 2004). Why just 8 to 12? Collecting metrics can be a time-consuming endeavor and most organizations have limited resources. Given that, focusing on the top 8 to 12 organizational issues is manageable, though some smaller organizations may find it appropriate to focus their attention on one or two.

In addition to limiting the number of metrics collected, there is value in limiting the number of metrics reported. A meaningful presentation on compensation challenges or health insurance costs will likely have more impact than a binder full of statistics on a wide variety of issues. Strategic HR departments release small amounts of interesting and high-impact information throughout the year, a strategy that sustains visibility and demonstrates that HR is consistently engaged in rigorous analysis and evidence-based decision making.

7. Choosing the wrong measures.

One of the most common HR metrics is "time-to-fill." Specifically, how long does it take to fill an open position? The assumption is that the less time it takes, the better. While this might be the case in certain organizations, (e.g., a missing sales person means fewer cars sold) the same might not be true in higher education, where delaying a hire is a common strategy for recouping funding dollars. But even when prompt hires are desirable, a quick process is not always an effective process. A 10-minute interview can net a hire, but will it be a good hire?

"Number of employment applications" is another common and potentially meaningless measure. Again, conventional thinking is that hundreds of applications can serve as evidence of effective recruiting, but if the wrong applicants are applying, more applications simply means more work. While it is important to assess trends in volume, e.g., "We consistently receive fewer than 10 applications for our Webmaster openings," analyzing the percentage of qualified applicants by recruiting source yields more actionable data.

"Number of grievances per year" is another potentially problematic metric. Is it better for the number to go up or go down? It all depends. If an organization tends to resolve employee relations matters informally, the need to seek formal redress could signal a problem. On the other hand, an increase in formal complaints could signal increasing confidence in the formal dispute resolution process. Alternatively, a decline in the number of formal complaints could signal that employees are fearful about bringing conflict into the open.

When selecting appropriate measures, organizations should exercise special caution against excessive reliance on benchmarking, as organizational differences often negate the value of cross institution comparisons (Huselid & Becker 2005). By way of example, consider the common metric ratio of HR staff to employees. University A, with 100 HR staff and 10,000 employees, would have a ratio of 1:100, while public University B, with 50 HR staff to serve the same population, would have a ratio of 1:200. Which organization is more efficient? There is no way to know. Do one or both organizations have an employee assistance program in their portfolio? How about training and development? How about payroll? Is the health insurance program administered internally or by the state? Does HR serve all faculty and staff or just a subset? Without context, many benchmarking statistics are meaningless.

8. Being tricked by averages.

Imagine an organization with the following turnover statistics:

Table 2: Turnover by Year

2007	2006	2005
15%	16%	15%

Any cause for concern? Probably not. Fifteen percent is a respectable turnover rate and it's steady over a three-year period. But let's look more closely.

Table 3: Turnover by Years of Service

Years of Service	2007	2006	2005
0-1	33%	34%	31%
1-2	28%	26%	29%
2-5	18%	20%	22%
5-10	12%	12%	11%
10+	6%	5%	4%
ALL	**15%**	**16%**	**15%**

Table 3 tells a very different story than Table 2. While overall turnover rates do not prompt cause for concern, the amount of turnover in the first two years appears excessively high and the turnover rates of employees with 10 or more years of service appears excessively low. Reporting only averages often buries a possible story.

Averages can be especially deceptive when looking at age data. Consider a report that reveals the average age of your faculty to be 51.8 years old. No need to worry about the threatened onslaught of retirements, right? If we take a closer look, we might find a different answer.

Table 4: Percentage of Faculty Members Age 60+ by Department

Department	Age 60+
Physics	71%
English	63%
History	58%
Math	22%
Psychology	20%
ALL	**15%**

By looking at a more granular level, we note that the departments of Physics, English and History are likely to experience significant turnover in the next five years, knowledge that can prepare the institution to prepare for the future by hiring more lecturers than tenure-track faculty, reorganizing work, reducing future class sizes or preparing for significant recruitment.

9. Presenting numbers rather than stories.

"We lost 27 faculty members last year." That number may be large or small, but it does not speak to impact. Consider, "Two faculty members who left us were Presidential Teaching Scholars. Six members of the psychology department moved en masse to the University of the North and took with them $7 million a year in federal funding." "We lost 20 percent of the faculty in the department of hydrology and they took with them 12 of our most promising graduate students." Descriptive and qualitative data often mean as much or more than quantitative statistics.

Consider also the impact of employees' own words. "Almost 75 percent of these departing employees cited dissatisfaction with their supervisors" offers a clue about what is prompting turnover, but does not give managers guidance on how to improve the quality of supervision. Are supervisors disrespectful? Are they absent? Do they micromanage? To address this, imagine the power of quotes from exit surveys: "My supervisor never really trained me; he just expected me to know how to do my job." "I got a manual to read, but that was pretty much it in terms of an orientation." "I did my best, but I was never sure I was following departmental protocols." This information provides the department in question with richer clues about how to increase quality and decrease undesired turnover.

Just as the impact of numbers can be enhanced with qualitative data, they can also be enhanced by the simple use of bar graphs, trend lines and up and down arrows. The less work required to understand the data presented, the more recipients will appreciate and use it.

10. Failing to move from analysis to action.

You've got the data. Now what? It can be helpful to know that turnover is excessively high among employees in their first year of employment or that 168 wellness screening participants have cholesterol levels over 250, or that 45 percent of short-term disability claims were related to mental health issues, but it is essential to move from analysis to action. Providing a better orientation experience might reduce the turnover. Providing exercise support groups might reduce employees' cholesterol levels. And increasing awareness of employee assistance services might minimize stress-related disability claims. Becker, Huselid and Ulrich remind us that "the measurement process is not an end in itself. It has value only if results provide meaningful input into subsequent decisions" (Becker, Huselid, Ulrich 2001). Collecting data is a fairly low-impact activity and analyzing it is only a little better. The real power in a metrics program is using data to inform decisions and drive action.

Conclusion

Given the common metrics mistakes detailed above, how can HR practitioners ensure that the metrics they collect are meaningful? The answer is simple: involve others and be curious. Engage your colleagues and institutional leadership in conversations about what they would like to know and build from there. "What is the student/faculty ratio by college?" "How much vacation time are our competitors offering?" "Why do employees choose to leave?" "Is there a difference in income level between those who participate in voluntary retirement plans and those who do not?" "Do employees respect their supervisors?" Answers to some of these questions will be relatively easy to obtain, while others will require considerable effort. The point is for you to determine what your organization needs to know in order to get better.

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Beyond Benchmarking: Value-Adding Metrics

BY DR. JAC FITZ-ENZ

In the mid-1980s, benchmarking emerged as the first definitive form of metrics used in human resources. As HR grew over the next 20 years, so did the need for more inclusive data and more intricate measurements of success. Today, the game is on analytics, forecasting and predictability. This article examines today's HR metrics, focusing on human capital management, integrated operations, future-facing data and leading indicators.

Introduction

In 1989, Robert Camp's book, *Benchmarking,* was published. At that point, the Saratoga Institute had been reporting human resource benchmarks for four years. The first benchmark data collected compared organizations on basic HR functions, including cost of hire, time to fill jobs, payroll and benefits expenses, training volume and costs, and turnover. There was value in this benchmarking because there was a good deal of uniformity of practices within industries and to some extent across HR. There was no Internet, outsourcing or limited data management capability within the function. Remember, smart desktop systems were just emerging. HR had to depend on corporate IT and finance for much of its information.

Today, life in HR is much different. First, we have sophisticated computer technology decision sciences advancements and software analytic packages at our fingertips. If we know how to use them, we can identify causes and find solutions, greatly increasing the return on investment in HR services and human capital in general. Second, outsourcing has come along and stripped away the commonality that previously existed. How can we compare an organization's results when one runs a function internally that another outsources, or where one is global and another a domestic operation? Third, HR has grown up a bit in the past 20 years. Comparing internal operating variables is no longer a valuable exercise. Today, the game is on analytics, forecasting and predictability.

Show Me the Value

What would be the most valuable thing to know about the organization and the role of the HR function? Wouldn't it be great to know the future; to have a good idea of what is most likely to happen in hiring, paying, developing, engaging and retaining talent? If we really knew the future, our competitive advantage would be enormous. Even if we had a high confidence estimate, we would be light years ahead of continually reacting to the latest trend, fad or crisis. This is where analytics and predictability come in. There are two ways to build the "predicting" capability. One is with a new operating model; the other is through more useful data — data focused on the future.

DR. JAC FITZ-ENZ, the "father" of human capital performance benchmarking and the founder and chief executive officer of Human Capital Source, has been conducting industry-leading research for more than 30 years. He founded the Saratoga Institute, the first organization that collected data and provided benchmarks to maximize the effectiveness of measuring human capital. He has published more than 225 articles and eight books and has trained more than 80,000 managers in 40 countries. He can be reached at **source@netgate.net.**

Human Capital Management

A fundamental weakness of human resources is that the profession does not have a well-defined operating model (remember, an organization chart is not an operating model). We have various functions and services, but they are not collected into a model such as production has with Enterprise Requirements Planning or marketing has with Customer Relationship Management. Unlike finance, with its 500-year-old accounting system around which to organize its various units of cost accounting, payables, receivables and cash management, human resources is a relatively new profession. One could argue that 25 years ago it could not be called a true profession. Quantitative formulas to measure and report human resource work were nonexistent before 1980. Now it appears that human capital management is a new, slowly evolving movement. It is only since the turn of the 21st century that people started talking about employee commitment and talent management. Still, these terms are not yet well defined. If HR is going to become a strategic contributor to the enterprise, it needs an operating model that integrates its various functions and has predictive capability and a measurement system.

In 2006, Human Capital Source, through its research arm Workforce Intelligence Institute, carried out a study of 740 human resource departments and gathered field research from 70 research centers and universities throughout North America. The objective was to find evidence that human resources' services could have an effect on organizational outcomes. Through statistical analysis, this was proven conclusively.

For example, the study found that organizations which maintained a succession planning program and updated it annually also increased revenue per employee. It also found that investments in learning and development correlated with productivity and service improvements, which in profit-making companies led to revenue growth. And the results indicated that organizations that aligned manager and professional objectives with organizational goals and paid for achievement of the objectives also enjoyed significantly better operating results than others that did not.

Integrated Operations

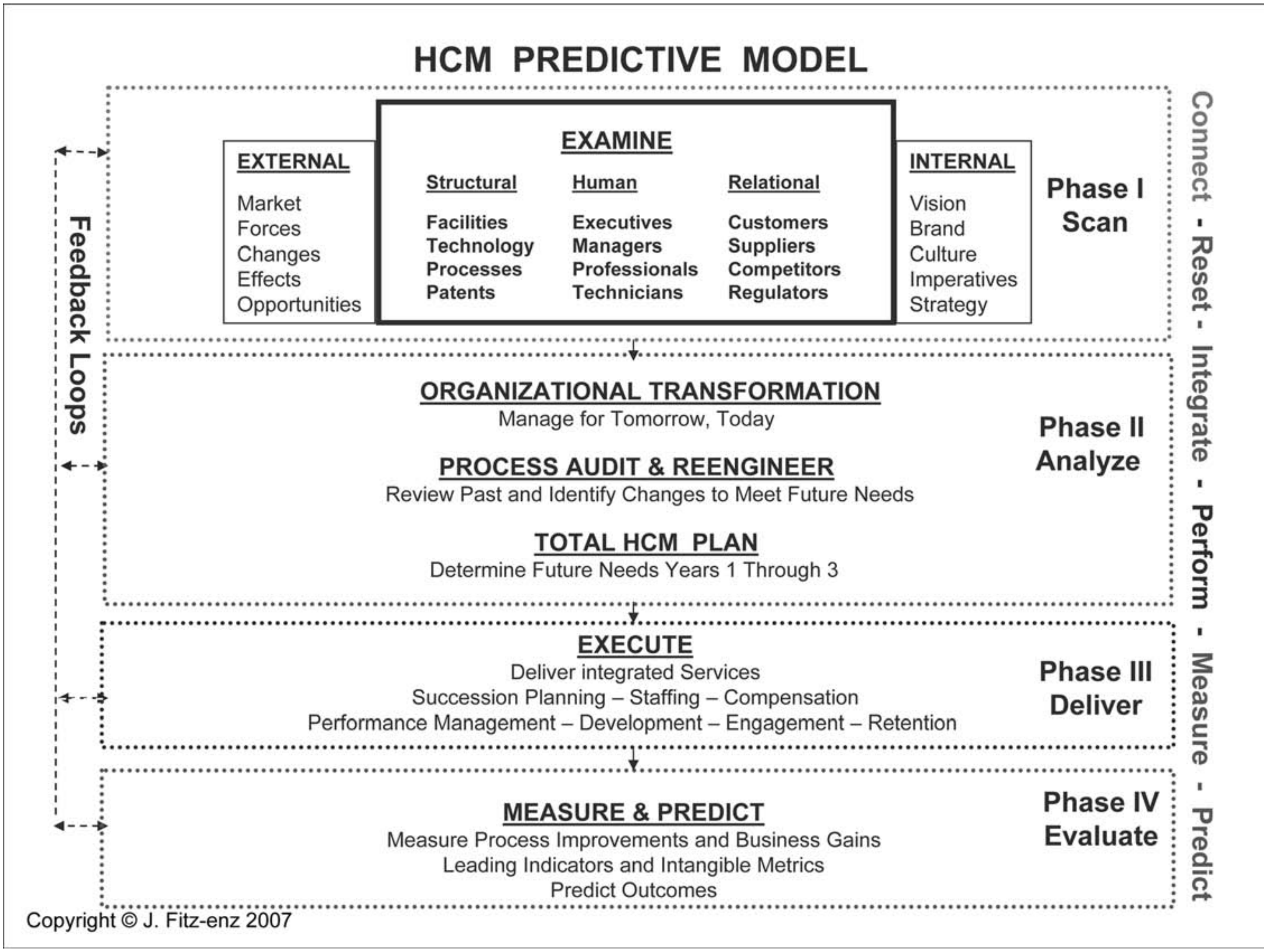
While having accurate, predictive data is an advantage, to obtain and optimize that advantage we need to work together. One of the major failings of human resource departments is that they are not integrated. The various functions of hiring, paying, training and retaining operate on their own timelines with their own interests.

Independently operating units within a single department such as human resources do not achieve optimum levels of performance. Additionally, they cause confusion for students, employees and managers with inconsistent messages and schedules. An example is that staffing people often do not communicate with compensation or development staffs. This can result in a new hire expecting something about pay increases and training opportunities that are not true. The point is not to take away one function's need to operate, but to improve the total department's output.

These and other observations led the Saratoga Institute to the next step in workforce evaluation. In the spring of 2007, the Institute began the development of the Human Capital Management (HCM) Predictive model. We are currently defining the model's phases along with appropriate software. In the end, model users will be able to accomplish the following:

- Design a human capital plan that supports the strategic business plan.
- Work with senior management to facilitate necessary changes in the organization.
- Audit HR processes and redesign them to meet future needs.
- Carry out a workforce plan that is linked to institutional initiatives and budget processes.
- Deliver integrated HR services to optimize the institution's investment.
- Design a future-facing measurement system with strategic performance metrics, leading indicators and intangible measures.

With this model, the HR function can guide management on the optimum deployment and development of its human capital. This capability will position the human resource function squarely in the middle of strategic organizational management.



Future-Facing Data

As uncertainty grows, the need for information about the future becomes increasingly important. Almost all data developed in organizations are what is called “lagging indicators.” Accounting, production, sales and service data all report the past. The only formal approach to future information is market research. An example is consumer confidence. If this is increasing, the economy is probably set for an upswing. This is an example of a “leading indicator.”

Leading indictors apply as much in an educational institution as in business. Schools track population demographics to anticipate future supply and demand of students. Yet, on the administrative side when it comes to numbers about employees — our human capital — usually we see only reports of past activity. We can manage future employment, development and retention more effectively if we have leading indicators.

Two Types of Leading Indicators

Inherent within some lagging indicators is the potential to be a leading indicator. One example is retention or turnover. While turnover tells us what percentage of the workforce left in the past year, a deeper look at it can yield indicators of current and future effects. Currently, how is turnover affecting our ability to service other departments, the faculty and the students? Looking ahead, if turnover continues along its present trend, what does that imply for the future?

If we study who left, why they left and at what point in their career they left, we can begin to see what can be done in the future to reverse the trend, if necessary. We can also look at the effect of unwanted turnover on outcomes such as productivity, quality or service. By tracking turnover trends in parallel with institutional outcomes, we might see increased cost, late delivery of services or unhappy customers. Finally, we can look for correlations between turnover and other employee activity. Absence and turnover usually correlate. A 10-year study of absenteeism by the Saratoga Institute showed that as absenteeism rates rose, within six months turnover increased. When we know that, we can monitor absenteeism and work to prevent it in the future.

A second type of leading indicator can be found within what are called “intangibles.” These are activities that cannot be measured with one number, such as the cost of something. Typical intangibles are leadership, planning and employee commitment. These are concepts. We cannot see leadership, but we can see people behaving in ways that we call leadership. Through observation we might say that our people who provide a vision, make it a point to be visible in the workspace, encourage new ideas, listen to employees and recognize performance are good leaders. Through observation and surveys we can gather data on how well a leader does these things. The same applies to planning, wherein we see people gathering and organizing data, analyzing it, preparing reports and delivering the plan on time and complete. Finally, committed employees are those who have a low absence rate, work effectively with co-workers, contribute ideas for better ways to work, produce more than the average worker, speak well of the organization and do not quit.

A short list of leading indicators and intangibles are as follows:

Employer of Choice
Company/Organization Image
Satisfaction
Engagement
Leadership
Commitment
Training Spend
Turnover
Readiness
Competence
Brand Awareness
Performance
Culture
Agility
Reputation

Anything that cannot be defined by a single point is an intangible, but might not always be a leading indicator; and leading indicators can be tangible, such as training spend or turnover percent. A measurement system that is composed of the appropriate mix of both can be very valuable. The test is, “What will I do with this indicator or intangible if I have it?”

How to Convert Intangibles to Tangibles

The problem some people have with intangibles is that they cannot define them in visible terms. For instance, when asked to define culture, they respond with statements such as, "A good culture has good leadership." That is probably true, but "good" and "leadership" are themselves intangibles. A better definition might be "a healthy culture is one in which people do the following: support one other, contribute ideas, are not absent, commit to the vision, etc." Leadership is a function of specific visible behaviors of a person (the leader) and the resulting behavior of the followers. These are easily listed.

What's Missing?

If you accept the arguments above, the obvious next question is "What does it take to begin moving in these directions?" Change is always a challenge and change of this magnitude is a big challenge. There are many points of resistance to change. Most of them are human rather than financial or technological. Recalcitrants often claim that there is no money to make large-scale changes. That might be true; however, we don't have to save the world. Change can come in small increments that are not costly and do not require technology. Others claim that someone "out there" does not support it and will even oppose it. If that is true, a little salesmanship backed by solid data pointing out the benefits to "them" often carries the day. The change often requires relearning the job, gaining new skills or giving up a position of power. This is where leadership comes in. It is up to the head of HR to showcase the new vision and its benefits. Here, the salesmanship is directed toward "us" rather than "them."

The point is, we can always find a reason not to change something. However, if the will is there, we can also find a way to make progress, even if it does not take us to the ultimate goal in the near term. When metrics was first introduced to HR, the level of resistance was monumental. However, in time most people discovered that having quantitative data was beneficial for them for several reasons. First, it wasn't so difficult. Second, they discovered for the first time how well they were, or weren't, performing. Third, they were able to communicate with management in a language that managers use — namely numbers. And finally, their position in the organization gained some level of respect, which it may not have had in the past.

Conclusion

The uncertainty of the world makes managing any enterprise a high-risk challenge. Although lagging indicators are useful and sometime necessary, we need leading indicators if we are to manage tomorrow. It is time to move beyond benchmarking operating variables and focus on more strategic issues. Leading indicators and intangibles are where the future values lie. As technology and information continue to replace physical assets as primary drivers, the importance of intangibles becomes more evident. "Managing tomorrow today" is more than a catchphrase. It is an imperative for any organization wishing to keep pace within its market.

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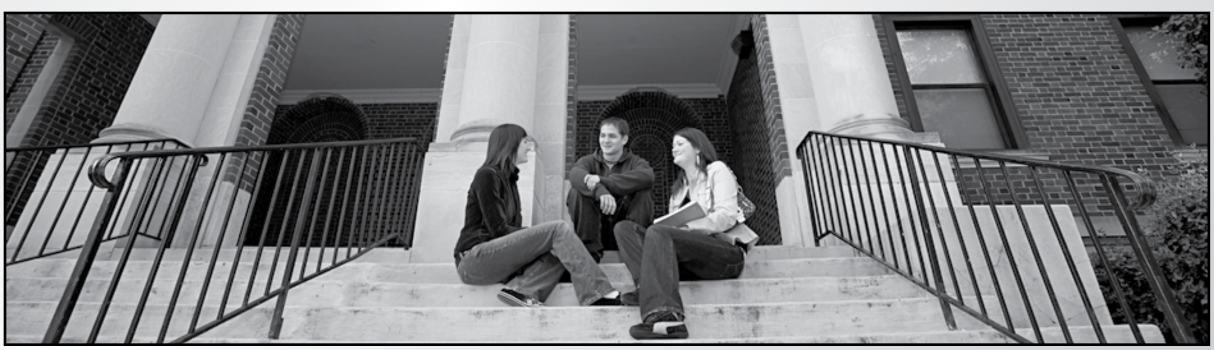

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Can Human Capital Metrics Effectively Benchmark Higher Education With For-Profit Companies?

A Case Study

BY KATHY HAGEDORN AND BLAIR FORLAW

It is no secret that on many levels higher education is an altogether different animal than the corporate world. But, just like the powers-that-be in big business are seeking quantifiable results, so too are the boards of colleges and universities. The question is, can human capital measures used in the corporate world apply to higher education, and vice-versa? This article addresses that question by examining Saint Louis University's participation in the St. Louis region's first Human Capital Performance Study.

Introduction

Everyone knows that higher education is "different." Faculty and staff are not really "employees" in the same sense that corporations use that term. Human capital measures used in higher education would not apply to for-profit organizations, and vice versa. Or would they?

Saint Louis University, a Catholic, Jesuit university founded in 1818, challenged these assumptions as one of only two educational institutions to participate in the St. Louis region's first Human Capital Performance Study in the fall of 2006. This study, which was organized by WorkforceStLouis$^{2.0}$, was designed to make the business case for investment in employee learning and development. Fifteen employers participated, including some of the area's largest health care, financial services, construction, transportation and consumer products manufacturing firms. Together, they employ more than 97,000 people.

The results were presented to regional leaders in February 2007. They set a benchmark within a national sample of firms and established a human capital performance standard for the region around which St. Louis-area businesses can unite as they strive to be economically competitive in a knowledge-based global economy.

In a separate but surprisingly parallel study, Saint Louis University also participated in the 2007 benchmarking of employee engagement factors that was conducted by the *St. Louis Business Journal* in its effort to quantify and select the "Best Places to Work" in the region. The *Business Journal* decided to use only data derived from an employee survey as the means of selecting the "Best Places to Work." In previous years, the *Business Journal* had used a variety of information submitted by the employers regarding benefits and work-life quality programs, which sometimes were seen as being more closely related to good public relations than actual measures of employee engagement.

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BLAIR FORLAW is director of WorkforceStLouis$^{2.0}$. She has worked in the field of regional policy development and problem-solving for more than 25 years, spending much of that time seeking to understand how metropolitan systems can better support quality of life for individuals, families and communities. She can be reached at **Blair.Forlaw@GreaterStLouisWorks.org.**

What did Saint Louis University learn from these studies? The university learned that the academy is neither adept nor disciplined in capturing human capital performance data; but when these data are captured, a university can perform very well in comparison with companies from the for-profit sector.

The Human Capital Performance Study

Committed to the highest standards of measurement and accountability, WorkforceStLouis$^{2.0}$ commissioned Saratoga, a service offering of PricewaterhouseCoopers, to develop a scorecard that would both quantify and benchmark the human capital performance of large employers desiring to align their workforce investments with the organizational bottom line. Saratoga has been a national leader in human capital measurement for more than 30 years, and is considered by many to be the "gold standard" in its field.

For the St. Louis study, a total of 14 metrics were selected from Saratoga's menu of relevant human resource measures. The metrics selected were: Training Headcount Investment Factor; Average Training Sessions Attended; Training Cost Factor; Training Cost Per Hour; Training Hours Per Employee; Tuition Reimbursement Utilization; Management Completing Leadership Development Course; Revenue Per Employee; Human Capital Return On Investment (ROI); Promotion Rate; Average Time to Promotion; Voluntary Separation Rate; One to Three Years of Service Voluntary Separation Rate; Three to Five Years of Service Separation Rate.

WorkforceStLouis$^{2.0}$ invited companies with 1,000 or more employees to engage in the study. Fifteen companies came forward to do so and successfully completed the metrics survey. The data they provided were based on a calendar year timeframe (January 1, 2005-December 31, 2005) for all U.S. operations only. Staff from each company queried internal human resources and financial systems based on standardized instructions provided by Saratoga in order to complete their submissions. Saratoga reviewed all submissions, worked with the organizational leads to clean the data, when necessary, and performed the analysis. Each of the participating organizations received a confidential report of the findings for its own organization, which it was able to use for self-evaluation against internal targets and expectations, as well as against the regional standard set by all 15 participants.

Two benchmark comparisons were included in the regional analysis: (1) Saratoga's national database of 277 national participants, which had a median company revenue of $4.2 billion and nearly 13,000 employees, and (2) St. Louis-based companies, which had a median company revenue of $2.5 billion and nearly 6,500 employees.

The regional results were compiled into a report, *Setting the Standard: People, Performance and Productivity,* which was formally presented at a public event in February 2007. Saint Louis University was in attendance and was recognized as one of the inaugural "regional standard-bearers" for human capital investment. The survey findings demonstrated that the 15 organizations, taken as a whole, are making significant investments in the ongoing development of their workforces. They compared favorably to the national standard in productivity, return on human capital investment, and in low turnover rates. Areas were also identified where improvements can be made, relative to the national comparison group. These included participation of managers in leadership development and employee promotion rates.

In the first year of the Human Capital Metrics project, Saint Louis University was unable to capture many data points due to the conversion to a new HRIS system and lack of data from the past. In the benchmarks that were captured, Saint Louis University had low cost factors and relatively low turnover. Time to promotion was in the 90th percentile, meaning that university employees waited longer between promotions than employees in other organizations. In this category, faculty data were not included, due to the unique track in higher education for faculty.

Metrics for the "Best Places to Work"

Since human capital research has substantiated a link between perceptions of investment in human capital, individual job satisfaction and organizational commitment, a practical way to "test" this is by surveying employees for their satisfaction and organizational commitment. To determine its "Best Places to Work" winners for 2007, the *St. Louis Business Journal* invited all employers in the region to allow employees to participate in a Web-based engagement survey with 37 questions designed to measure 10 factors. The factors and questions in the survey are shown in Table 1.

TABLE 1: St. Louis Business Journal 2007 Employee Engagement Survey
Team Effectiveness
My immediate co-workers consistently go the extra mile to achieve great results.
Goals and accountabilities are clear to everyone on my team.
My team effectively collaborates, leveraging individual strengths.
The people I work with most closely are committed to producing top-quality work.
Retention Risk
I would like to be working at this organization one year from today.
I see professional growth and career development opportunities for myself in this organization.
I recommend this organization as a great place to work.
It would take a lot to get me to leave this organization.
Alignment With Goals
I believe this organization will be successful in the future.
I understand how my job helps the organization achieve success.
I know how I fit into the organization's future plans.
Trust With Coworkers
I feel loyal to my immediate team or work group.
I know I can depend on the other members of my team.
I feel close to the other members of my work group.
Individual Contribution
If I contribute to the organization's success, I know I will be recognized.

Table 1 (*continued*)

Manager Effectiveness
My immediate supervisor regularly gives me constructive feedback on my job performance.
I trust and respect my immediate supervisor.
I like working for my immediate supervisor.
There is open and honest communication between employees and managers.
Trust in Senior Leaders
I trust the senior leadership team to lead the company to future success.
I believe the leaders of this organization are honest and trustworthy.
The leaders of this organization demonstrate integrity.
Feeling Valued
The leaders of the organization value people as their most important resource.
Considering the value I bring to the organization, I feel I am paid fairly.
The leaders of this organization are committed to making it a great place to work.
Satisfaction With Current Role
This job is in alignment with my career goals.
My job allows me to utilize my strengths.
I find my job interesting and challenging.
People Practices
My benefits meet my (and my family's) needs well.
We have benefits not typically available at other organizations.

More than 150 employers achieved a pre-determined response rate, thus ensuring the survey results would be valid. The *Business Journal* created categories by size of the employer, and within each category selected winners in the "for-profit" category and a winner in the "not-for-profit" category.

Saint Louis University, with over 4,000 full-time faculty and staff, participated in the top category of employers with over 3,000 employees. When leadership of the university was invited to the awards banquet, it was assumed that the university had won one of the top awards for a not-for-profit organization. Imagine the shock and celebration when Saint Louis University won the top award for the entire category (largest companies in the region), with results higher than those of well-known and esteemed for-profit employers in some of the region's fastest growing industry sectors.

University employees' responses were higher in every category, compared to the overall results of the other large employers. The strongest results, not surprisingly, were in the categories of "satisfaction with current role," and "people practices." Universities are known for having excellent benefits, and employees are able to see direct benefits of their work with students and other community members, which should provide greater role satisfaction. In addition, Saint Louis University, as a Catholic, Jesuit university, devotes significant attention to articulating its mission and values in the recruitment of staff and faculty, and throughout their careers. This clarity of purpose and strong values can also be strong factors in the alignment of the organization and engagement of employees.

Conclusion

Although many progressive colleges and universities have a strong "family" culture which should engender job satisfaction and engagement, the combination of these two benchmarking studies demonstrates that bottom-line focus and organizational culture are not necessarily opposing values. A university can be efficient and cost-effective, and still maintain an emphasis on values and organizational development. In fact, if managed well, each effort will support the performance of the other.

Saint Louis University has already examined data collection and reporting improvements that have contributed to a more robust participation in the regional Human Capital Metrics study for 2007. Additional metrics were added to the 2007 study. After one year of participation, the university now knows the key factors used and has greater ability to extract them from human resource and financial databases. Such collection not only provides important data for internal use, but also allows continued benchmarking against local companies in an effort to improve efficiency and performance within the university.

In the current climate when improved services and decreased costs have a direct impact on students, parents and other stakeholders, these efforts are important in contributing to the success of the institution. Boards of colleges and universities are seeking quantifiable results, and not just in financial and academic measures. As the HR function grows in importance and respect, such measures are critical in establishing its reputation as a key contributor to the success of the university. These metrics also support budgetary requests for programs that build the capability of the "human capital" — administrators, faculty and staff — of the institution.

For example, the president and executive leadership of Saint Louis University have made a strong commitment to the Saint Louis University Leadership Academy, a year-long intensive formation experience for a cohort group of "next generation" leaders within the institution. Now in its second year, the Leadership Academy includes participants from all areas of the university, including its campus in Madrid, Spain. Such investment in the future leadership of the university is supported because results can be proven. Human capital metrics and benchmarking provide a means of demonstrating how effective management and HR efforts have been, sometimes with surprising results.

University of Pennsylvania Scorecard: The Cure for Analexia

BY GARY TRUHLAR

A few years ago, the University of Pennsylvania's Division of Human Resources began a data-based approach to the development of strategic plans and the measurement of programmatic effectiveness. One of its more successful endeavors in this area has been the creation of an HR scorecard that compares and contrasts individual school or administrative center performance with the entire university profile. This article describes the scorecard and its production, objectives, and the impacts it has had on the university's human resource processes.

Introduction

Psychologists use the term "analexia" to describe the belief that "if it can't be measured, it isn't important." In years past, business metrics focused on widget production, balance sheets and income statements. Yet many human resource organizations suffered from analexia.

Today, there is growing recognition that salaries and benefits are the largest expenses at most colleges and universities. At the University of Pennsylvania, for fiscal year 2008, compensation expense is projected to be 53.4 percent of total expenditures. A majority of the "value add" created at institutions of higher learning can be attributed to their human capital. Using data to drive strategic direction, benchmark activities and measure progress has become one of the keys to success.

Several years ago, working with the Office of the President, the University of Pennsylvania's Division of Human Resources began a data-based approach to the development of strategic plans and the measurement of programmatic effectiveness. This effort included benchmarking industry and peer institutions; the creation of Web-based informatics tools; the development of survey instruments for new hires and voluntary terminations; and the creation of the HR Scorecard.

HR Scorecard Objectives

The primary objectives for Penn's HR Scorecard are to align human resource strategy with university strategy and to empower managers to make better decisions. In 2004, University of Pennsylvania President Amy Gutmann introduced her vision for advancing Penn "from excellence to eminence," and established the theme of "increased access," or linking diversity and excellence, as a core principle. The scorecard, in addition to the president's mandate, has provided the opportunity for discussions that were not possible in the past, thus opening the door to transformational change.

The scorecard compares and contrasts individual school or administrative center performance with the entire university profile. Goals or target levels of effectiveness are established for each category as well. Measures include salary growth, changes in headcount, performance management, professional development activity, several indicators of turnover, overtime, extra compensation and dollars spent on temporary workers on the university payroll.

GARY TRUHLAR is executive director of Human Resources at University of Pennsylvania. Recent projects he has overseen include the development of a Total Compensation Statement, implementation of Web-based recruitment management systems for faculty and staff, and the creation of an HR scorecard. He can be reached at **truhlar@hr.upenn.edu.**

Scorecard Production

The University of Pennsylvania HR Scorecard is prepared entirely in-house by HRIM staff members using data from a variety of sources. These include the university personnel/payroll system, financial system and the human resource data warehouse (which includes information regarding performance reviews, promotions, reclassifications and turnover). The HRIM staff extracts data sets from each of the sources and assembles them in a standardized template. This collection is used to prepare scorecards for the individual schools and administrative centers. Accuracy is enhanced by a quality assurance team coupled with manager review of the final product. The QA team double checks every data point on the statements, assuring the quality of the final product.

The scorecard is initially distributed to the senior business officer and human resource contact in each school and administrative center. It is accompanied by a document that helps them to understand and interpret the measures displayed. They are encouraged to review the scorecard and provide any clarifying remarks that will aid understanding. For example, they may comment on additional training opportunities offered to staff that are not tracked in the central data system. Following this initial review, the scorecard is then shared and discussed with the dean or vice president of that organization.

Feedback

For many institutions, reports and data analyses have been the province of central administration. Human resource professionals have been able to compare progress and effectiveness across the institution, but the data was often not available to the schools and administrative centers. The scorecard is one tool that can change that dynamic. Following are some quotes from recipients of Penn's HR Scorecard:

> *This is superb! As the person who is looking at all of our benchmarking data, it is great to have this information."*
>
> *"Thank you for developing the HR Scorecard. This is exactly the level of data that we are interested in seeing, particularly the comparison of our center's performance to the performance of other schools and centers."*
>
> *"We really appreciate the level of detail provided on the scorecard. We are favorably impressed by how our performance has measured in comparison to other averages, and we look forward to seeing continued progress."*

Penn's HR Scorecard has been benchmarked by a number of other colleges and universities, and the executive vice president recommended this scorecard concept for other Penn initiatives.

Each year, based on university feedback, the scorecard has been refined and expanded. The most recent addition is a display that reflects the diversity of each school or administrative center. It is organized by the job groupings used in the university's affirmative action plan and compares gender and ethnic composition with job market availability. This information is a helpful start to discussing overall management of human resources in the organization.

Impacts on Human Resource Processes

The scorecard discussions with business officers, human resource generalists in separate units, deans and vice presidents have had a number of positive impacts on the effectiveness of human resource processes, not the least of which are improved awareness and the fostering of healthy competitive spirit.

One school had an open position time-to-fill that was twice as long as the university average. The unit's HR generalist was disappointed in this metric and declared that the school would be the best the following year. Discussion followed on various job posting and recruitment strategies, such as not posting all of the jobs in a new unit at once but instead hiring a manager first who will then hire the administrative assistant and so on. The net result was a more effective recruitment process in the school and better service for the applicant population.

The university's performance appraisal return rate of 98.7 percent can be attributed to the distribution of statistics on performance management. Now that reviews are being done, focus can shift to the concept of a "normal distribution" with most performances clustered around "meets expectations" and fewer at "exceptional" or "needs improvement" levels.

Unintended Consequences

Human resource metrics are not always what they seem. In a corporate setting, open positions are viewed as "lost opportunity," negatively impacting revenue. Managers have an imperative to fill the job. In higher education, open positions are sometimes referred to as "salary savings." Having access to information from the scorecard allows an evaluation to be made on whether the hiring process is deficient or the unit is banking salary savings. In the latter scenario, strategies have been proposed to recapture the salary savings for re-prioritization by university leadership.

The Future

In the foreseeable future, Penn's scorecard could be displayed in real time on the HR Web site. There are some technical challenges to achieving this objective, including the computing resource to retrieve the data and calculate all of the metrics in real time. Additional intermediate data tables will need to be built, access protocols created and security profiles generated. But we are working on it.

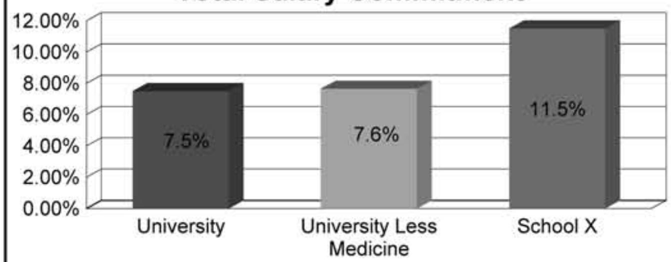
Conclusion

Penn's HR Scorecard has been a valuable vehicle for generating constructive dialogue within and between the university's schools and administrative centers. It has been helpful in aligning human resource strategy and programs with university objectives. The scorecard continues to be expanded and improved. Using data-driven strategies and measures, we look forward to additional opportunities to improve human resource management across the institution.

From The University of Pennsylvania article

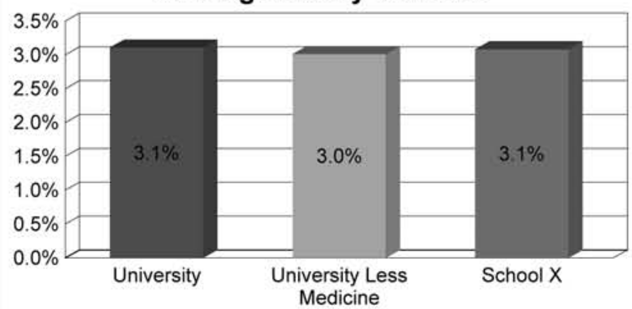
Pennsylvania's Human Resources Scorecard - June 2007 - School X

Total Salary Commitment



Total Salary Commitment: $30,980,891.00

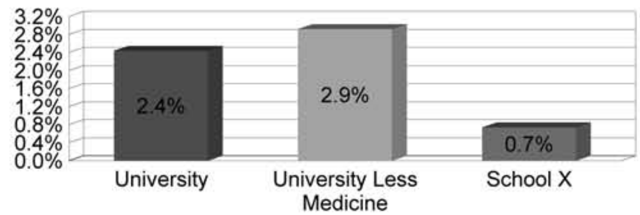
Average Salary Increase



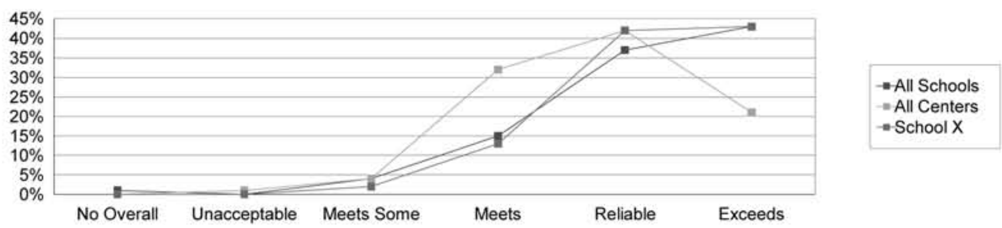
Staff Percentage Growth Comparison - 2007

	2007	2006	% Diff	2002	1997
Monthly	424	421	0.71%	416	301
Weekly	115	114	0.88%	96	111
Weekly/Other	6	6	0.00%	6	20
Total	545	541	0.74%	518	432

School/Center Growth Comparison - 2007



Perfomance Appraisals Return Rate By Category
As of July 20, 2007



	No	Unacceptable	Meets Some Not All	Meets Expectations	Reliable	Exceeds
All Schools	1.00%	0.00%	4.00%	15.00%	37.00%	43.00%
All Centers	0.00%	1.00%	4.00%	32.00%	42.00%	21.00%
School X	0.00%	0.00%	2.00%	13.00%	42.00%	43.00%

Overall Return Rate
July 20, 2007

University	98.70%
All Schools	98.14%
All Centers	99.80%
School X	100.00%

Learning and Education

Program Attendance	Attendees
Total Program Participants	165
Unique Program Participants	68
New Staff Orientation	48

Compensaton

Reclassifications Implemented	64
Salary Adjustments Implemented	30
Denied	9
Status Changes	1
Withdrawn	3
Overtime	$276,296.73
Extra Compensation	$604,143.33
Penn Payroll Temp Dollars	$1,360,738.19

Recruitment and Staffing

Recruitment	
New Positions	23
Replacement Positions	100
External Hires	76
Internal Hires	47
Time To Fill: Above Average	
University	84
School X	112
Turnover: Below Average	
Resignations	55
Involuntary	4
Transfers	12
PDSTs	1

Pennsylvania's Human Resources Scorecard - June 2007 - School X *(continued)*

Quality of Work Life Sessions

Session Attendance	Attendees
Health Series	48
Personal Well Being	39
Work and Family	18

Affirmative Action Statistics - As Of June 30, 2007

			Minority		Female	
Job Group		Employees	Availability	Employment	Availability	Employment
1020	University Administrators A	53	17.28%	9.43%	45.19%	64.15%
1030	University Administrators B	114	22.74%	14.91%	46.85%	78.95%
1040	Academic Administrators	6	20.75%	16.67%	59.40%	33.33%
1050	Development Mktg & PR	2	15.95%	0.00%	62.15%	50.00%
1060	IT Administration	34	22.08%	29.41%	35.84%	20.59%
1080	Research	1	24.00%	0.00%	45.53%	0.00%
1090	Student Services	1	20.96%	0.00%	57.67%	0.00%
1200	Financial and Accounting	2	2.48%	0.00%	7.83%	50.00%
3010	General Business and Financial	35	26.20%	54.29%	56.60%	91.43%
3020	IT Professionals	72	24.09%	37.50%	44.62%	26.39%
3030	Development/Marketing/Communications	15	24.25%	6.67%	66.41%	73.33%
3040	Research Admin & Support	3	28.51%	0.00%	56.96%	100.00%
3050	Research Professionals	2	27.27%	0.00%	51.97%	0.00%
3070	Health and Safety Professional	2	27.54%	0.00%	65.94%	50.00%
3090	Museum/Library/Archival	1	15.63%	0.00%	77.94%	100.00%
3100	Administrative Support	57	26.68%	24.56%	72.25%	82.46%
3140	Non-Classified Professional Staff	8	28.37%	0.00%	55.51%	100.00%
4010	Supervisors and Office Manager	3	31.02%	100.00%	69.26%	33.33%
4020	Secretaries	81	23.60%	38.27%	88.12%	85.19%
4030	Clerical	14	30.51%	57.14%	81.04%	64.29%
4031	Clerk - Accounting	5	26.70%	40.00%	86.44%	80.00%
4040	Service Assistants	9	27.94%	44.44%	76.95%	55.56%
6020	Skilled/Tech Crafts	1	22.98%	0.00%	27.33%	0.00%
7040	Service - General	1	42.22%	100.00%	34.32%	0.00%

PENNSYLVANIA HR SCORECARD SOURCES AND ANALYSIS

Salary Management

Total Salary Commitment

Source: Oracle Financial system and personnel/payroll position inventory

Measures: Changes in total personnel salary commitment

Analysis: Increases result from the cumulative impacts of organization growth, restructuring; changes in grant and contract activity; annual merit increases, reclassifications and salary adjustments.

Annual Salary Merit Increases

Source: Merit increase system

Measures: Annual merit increases

Target: 4.0% merit increase pool

Analysis: Captures merit increases and additional activity that occurs directly in personnel/payroll system after the merit increase process is closed.

Temporary Dollars – Fiscal Year – University Payroll

Source: Oracle Financial system report

Measures: Fiscal year temporary worker utilization on the university payroll system

Analysis: Temporary workers are a valuable tool to manage fluctuating workloads and unplanned absences. Refer to HR policies on temporary workers to ensure compliance with regulatory requirements and sound business practices. Total expenditures for the fiscal year were $xx.x million, a figure basically unchanged from the previous year.

An additional $x.x million was expended with Unique/Advantage, the university's sole source provider of temporary workers. This figure is up from $x.x million in the previous fiscal year as we continue to migrate temporary staff from the university payroll to Unique/Advantage. Unique/Advantage adds value by providing background checks, developing comprehensive job duties and skill requirements, providing market-driven pay rates and identifying talent. Temporaries employed through Unique/Advantage can receive benefits and are not subject to the service limitations required of university temporary employees.

Headcount

Source: University census

Measures: Headcount

Analysis: The university census counts faculty and staff with active appointments. It measures headcount, not appointments. Exempt faculty and staff may hold multiple appointments, sometimes in multiple organizations. These individuals are counted only once based on highest rank and/or largest salary commitment. Increases reflect cumulative impacts of organization growth, restructuring, changes in grant and contract activity, creation of new positions, position discontinuation and filling/vacancy of existing positions.

Performance Management

Performance Appraisal Return Rate

Source: Performance management database

Measures: Supervisory effectiveness in annual performance feedback

Target: 100% return rate

Univ. Avg.: 98.7%

School Avg.: 98.1%

Center Avg.: 99.8%

Analysis: Performance feedback is central to employee productivity, development and job satisfaction. The annual performance discussion should include a review of the employee's individual goals and progress; a discussion of competencies and areas for professional development; and establish objectives and performance standards for the coming year. Ideally, the distribution of performance ratings should form a normal distribution, with approximately equal numbers of staff in the unacceptable and exceeds expectations categories.

Learning and Education

Program Attendance

Source: HR TrainTrack, the university's professional development program

Measures: Attendance at HR training sessions

Target: 100% of staff should have the opportunity for professional development

Analysis: The program attendance measure reports total program participants and unique participants. The total program participant count identifies every time an individual from an area participated in a program; the unique participant count counts each individual only once. For example, a school/center with 10 employees could have a total program participant count of 15, indicating repeat attendees, while the unique participant count could be a total of 10 or fewer.

If a school/center participated in a custom training program, delivered by Learning and Education, individuals participating are counted in the total program participants number. Attendees did not register through the online system; therefore, their participation will not appear in TrainTrack and will not be counted in the unique program participants number.

This indicator only tracks courses registered through the HR TrainTrack system. Many schools and centers provide both internal and external training opportunities that are not currently captured. Maintaining a local log of external training activity can be a helpful tool for creating employee development plans or responding to EEO inquiries.

New Staff Orientation

Source: Learning and Education

Measures: Attendance at HR-led new staff orientation

Target: 100% attendance

Analysis: New employee orientation is critical to getting new staff off to a good start. While many schools offer their own orientation program, we strongly encourage supervisors to provide release time for all new staff to attend the HR-led orientation. New staff orientation is designed to provide new staff members with important information about working at Penn. The program also demonstrates the use of Penn's Web site to enable staff members to find answers to questions they may have in the future about policies and activities at the university. During the program, participants will learn about Penn's history, structure and mission, as well as other information about all of the resources available at the university.

For the purposes of this report, participation of new employees is defined as employees who are new, full-time, non-union employees. This number does not include new faculty members.

Recruitment and Retention

Recruitment – New Hires

Source: Recruitment HR-1 tracking system

Measures: Hiring activity

Analysis: Measures new hires via the HR-1. As requested, this now includes both new and replacement positions; external and internal hires. This measure reflects both organizational growth and turnover. Turnover can be a positive reflection of employee growth or alignment skills with requirements. Excessive turnover can indicate poor supervisory skills; jobs not probably aligned with market conditions; lack of training opportunities; or other factors which should be analyzed further.

Recruitment – Time to Fill

Source: Recruitment HR-1 tracking system

Measures: Time from the date of the posting to the date filled

Univ. Avg.: 84 days

Analysis: Time-to-fill reflects the effectiveness of both HR and the processes of the hiring organization. Functions include classification, posting, advertising, applicant sourcing, interviewing and job offer. This reflects a more challenging job market for applicants as well as new productivity resulting from the implementation of PeopleAdmin. A very long time-to-fill will result in many applicants being discouraged from lack of feedback and reflects poorly on the university. Corrective actions include not posting open positions until you are ready to interview candidates. Human resources will review requisitions that are open for longer than 3 months and will work with the hiring organization to review classification and suggest additional recruitment activities.

Turnover

Source: University data warehouse
Measures: Staff change rate due to terminations and transfers
Univ Avg: 13.6%
Analysis: As requested, this measure now shows voluntary and involuntary terminations, position discontinuation (PDST) and transfers out of the organization. A certain level of turnover is important to maintaining a vigorous workforce equipped with needed skills. Turnover rates that vary from the norm may indicate the need for additional supervisory training or a review of job classifications or compensation levels.

Reclassification and Salary Adjustments

Source: Compensation
Measures: Job reclassification and salary adjustment activity
Analysis: Reclassifications are based on current staff whose job duties have changed significantly, resulting in a change from one job class code to another. Evaluations of new or vacant jobs are not included in this category. The salary adjustment category reflects a pay change due to various factors such as pay equity or market adjustments.

Overtime

Source: University data warehouse
Measures: Total fiscal year expenditure for overtime on university payroll system
Analysis: The Department of Labor requires that overtime be paid to non-exempt employees for actual hours worked in excess of 40 hours in any given workweek. Refer to HR policy #302, Overtime Compensation and/or Compensatory Time. Total expenditure for the fiscal year was $xx.x million, up x% from $xx.x million the previous year.

Extra Compensation

Source: University data warehouse
Measures: Total expenditure for all categories of extra compensation including allowance, award/prize, bonus, extra services 1, extra services 2, honorarium, incentive, salary increase bonus and severance.
Analysis: Extra compensation pay is outlined in HR policy #305. The president's message regarding bonuses and additional pay was published in Economic Outlook: A Period of Economic Constraint. The numbers reported on the scorecard reflect approved bonuses.

Diversity

Source: University affirmative action plan
Measures: The gender and ethnic diversity of the school/center
Analysis: Compares the gender and ethnic composition of each job group in the unit with calculated availability data from the university's AA plan. When composition of the unit is within 80% of availability, the cell is green. If less than 80% of availability, the cell is coded red. In these cases, you should consult with HR to evaluate this result and opportunities for future hiring.

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