



HR Effectiveness measurement

GROUP 4



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Table Of Contents

Introduction

Aim And
Objectives

**Background Of
MICROSOFT**

Human Resource
Management
And Measures

HR Effectiveness
Measurement

**Criteria To
Measure HR
Effectiveness**

Characteristics of
an Effective HR
Professional

HR METRICS

Methods to
improve HR
effectiveness

HRM and IHRM
issues

Solutions

Introduction

- ▶ Compared To Other Tangible And Intangible Assets, An Organization's Human Resources Are Thought To Be Its Most Crucial Component. In Order To Manage Human Resources Successfully, It Is Crucial To Measure The Efficiency Of HR.
- ▶ This Group Presentation Will Cut Across The Different Aspects Of Human Resource Measurement Effectiveness Of The Company MICROSOFT. And Will Put A Light On The Current Issues Faced By HRM And IHRM Of The Company .
- ▶ It Would Be Ideal To Say There Is Effective Management In The Company And The Company Is Improving At It On Daily Basis

Aim

objectives



TO EXPLORE THE DIFFERENT
ASPECTS OF HR
EFFECTIVENESS
MEASUREMENT (HR METRICS)
AND PROVIDE SOLUTIONS
WITH SUITABLE THEORY.



ACCOMPLISH DIFFERENT
FACTORS DETERMINING HR
METRICS



TO LOOK ONTO THE
CURRENT ISSUES FACED BY
HRM AND IHRM OF THE
COMPANY MICROSOFT IN THE
EFFECTIVE MANAGEMENT
SECTOR

Background of MICROSOFT

- ▶ Microsoft is a multinational computer technology corporation
- ▶ headquartered in Redmond, Washington,
- ▶ whose history dates back to April 4, 1975.
- ▶ founded by Bill Gates and Paul Allen,
- ▶ creates software for almost all types of personal computers, mobile phones, gaming consoles, and other devices.



Human Resource Management And Measures

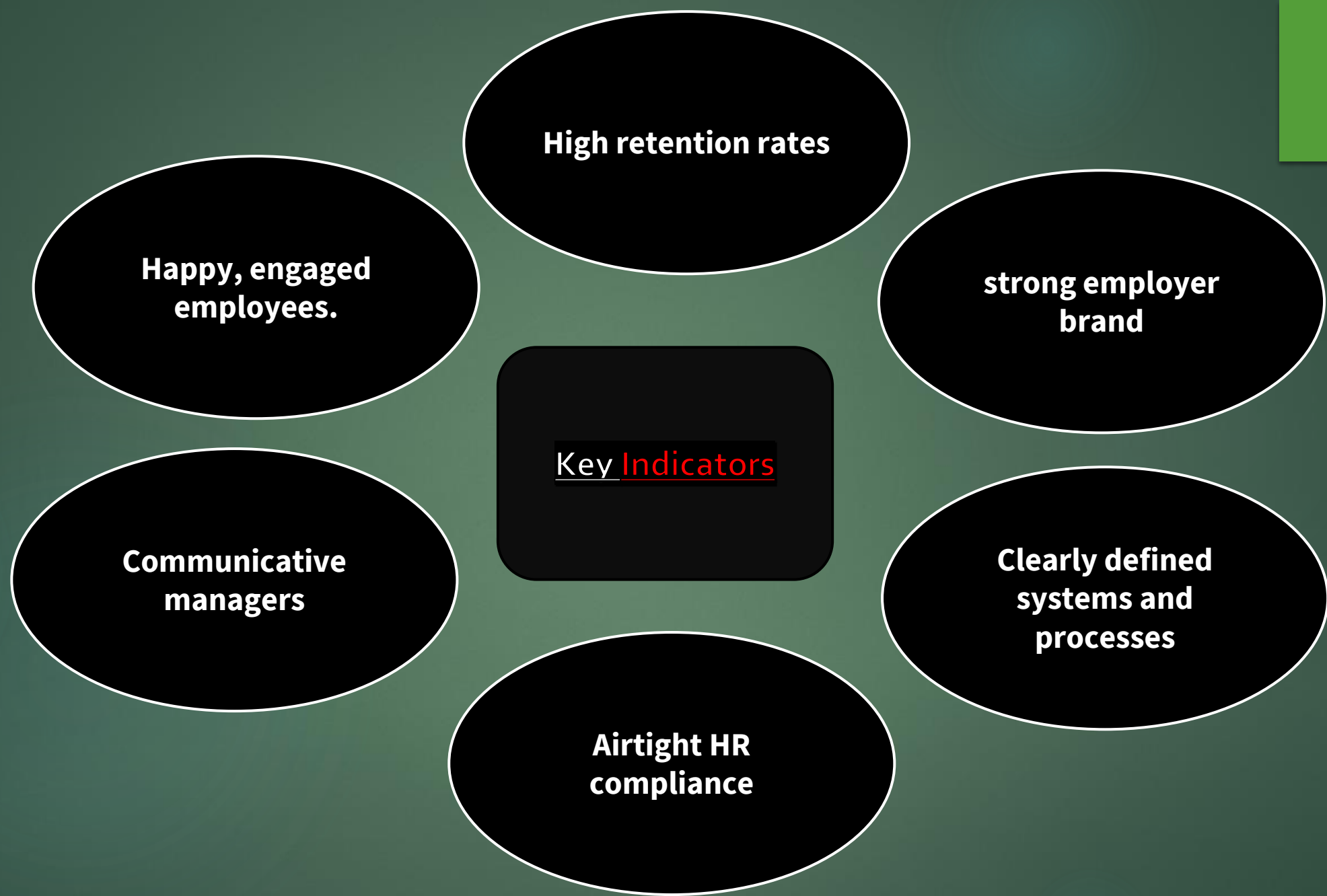


- one of the key support factors of a company against the highly competitive and unpredictable business environment.
- Development in methods and techniques
- Employee satisfaction
- Decision making

HR Effectiveness Measurement

- ▶ The Need To Measure Talent Effectiveness Is Related To The Need To Identify Talent, Model The Primary Drivers Of Human Potential And The Effects Of Their Modifications.
- ▶ Human Capital Is A Key Component Of The Market Value Of Any Organization And Is The Source Of Estimates That Form The Basis Of Planning In Added Value And Management Therefore, The Management's Focus Must Be On Planning, Recruiting, Stabilizing, Developing And Optimizing People Means.
- ▶ Measuring Workforce Effectiveness Is A Means Of Tracking Achieving Strategic Goals And Evaluating Jobs In Human Resource Management With Human Resources.
- ▶ Measurement Results Are Important For Target Setting, Exposing Deplete Reserves And Compare The Suitability Of Variants To Meet Goals, It Identifies The Extent And Causes Of Deviations And Suggests Ways To Eliminate Them That Is If You Don't Measure It, It Won't Work.





Happy, Engaged Employees

- The Engagement Of The Majority Of Employees Is A Great Indicator That The HR Department Is Effective Many Factors Influence Employee Satisfaction, But HR Initiatives Such As Team Building Activities Play A Key Role In Creating A Great Employee Experience

High retention Rates

- If Employees Tend To Stay Longer, HR Teams Are More Successful At Fostering Company Culture It Also Shows That Recruiters Are Trained To Identify Appropriate Cultural Matches When Interviewing Employees, And That The Pre-employment Screening Process Is Working

Communicative Managers

- One Way To Tell If An HR Person Is Effective Is If Managers Are Willing To Ask For Help. Managers' Openness With HR Personnel Makes It Easier To Address Challenges In The Workplace And Helps Solve Small Problems Before They Became

Strong Employer Brand

- In Today's Competitive Job Market, A Strong Employer Brand Is Paramount To Success Your Company Image Is A Big Factor In Hiring And Plays A Big Role In Attracting Top Talent To Your Company. A Sign Of Success!

HR compliance

- If the company has posted the required labor law posters, all managers know the details of job interviews, and passed audits with flying colors, the HR team will ensure that the company continues to comply with laws, policies and policies does a good job of ensuring that and regulation.

Defined systems and processes

- **When your HR team has a process for everything, this signals they are navigating crucial activities such as recruitment or workplace investigations carefully and with great attention to detail.**



Criteria To Measure HR Effectiveness

1. Employee Morale

- Employee Morale Is Determined By The Effectiveness Of The Personnel Policy .
- Morale Is A Measure Of One's Mental Health. When A Person Is Content With His Work, Surroundings, And Fellow Humans, His Morale Is High .
- High Morale Indicates That Personnel Administration Is Effective, Whereas Low Morale Indicates That It Is Ineffective.
- High Absenteeism, Turnover, Accident Records, Grievances, And Lower Output Levels All Reflect Low Morale.

□ According To A Study Conducted By Microsoft, Morale Can Be High Or Low Depending On Job Security,

- Career Advancement Opportunities,
- Employee Recognition For Accomplishments, And A Variety Of Other Factors

Individual employees receive well-deserved recognition, and when asked if they do, 69% of Microsoft employees said 'Yes.' On the other hand, a sense of security and the office vibe can have a significant impact on morale at Microsoft; many Microsoft employees describe their environment as positive, and they feel secure enough in their job. Overall, Microsoft employees rate their happiness as an A, which can provide some insight into company morale.

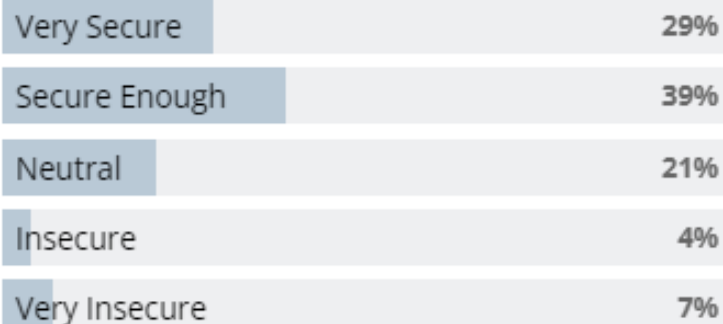
69%

Yes

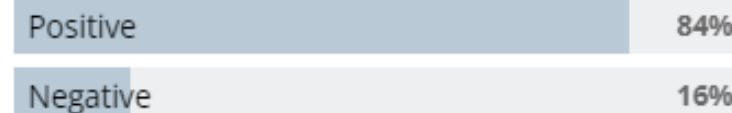
31%

No

Are you typically recognized for the impact and accomplishments you make for your current company?



How secure do you feel your job is at your company?



Is your work environment positive or negative?

2.Discipline

Discipline indicates whether or not a personnel policy is successful.

Discipline is said to be good when employees willingly follow the company's rules

And discipline is said to be bad when employees disobey them.

Microsoft came up with new guidelines for disciplines for bad behavior, the company gave managers a range of expected discipline if managers desire to give employees discipline outside of the range, a corporate vice president will have to sign off on it.

Employees who file complaints will receive information about what happened as a result of investigations, including discipline. And in the 2020 fiscal year Microsoft will started publishing internal reports, about what sorts of complaints employees are filing and what sort of discipline people are receiving in response.

3.Welfare Provisions

The HR department take care of welfare activities within the organization.

When employees believe that the company has an adequate labor welfare policy, they are less likely to complain or protest . Employee turnover and absenteeism will be reduced, and workforce efficiency will increase.



Microsoft offers a 401k retirement plan, an employee stock purchase plan with a 10% discount, a student loan refinancing plan, financial planning and education programmes, and a group legal plan that assists employees with a variety of legal services.



Characteristics of an Effective HR Professional

Visibility

Visibility is critical to your success and goes a long way in building relationships with the people you support

Dependability

In addition to being responsive, HR professionals are expected to be trustworthy and get the job done. Being central when needed and delivering on promises builds a reputation of being dependable

Responsiveness

Requests sent to HR are often time sensitive in connection with payroll or FMLA Effective HR professionals strive to provide timely responses.

Communication Skills

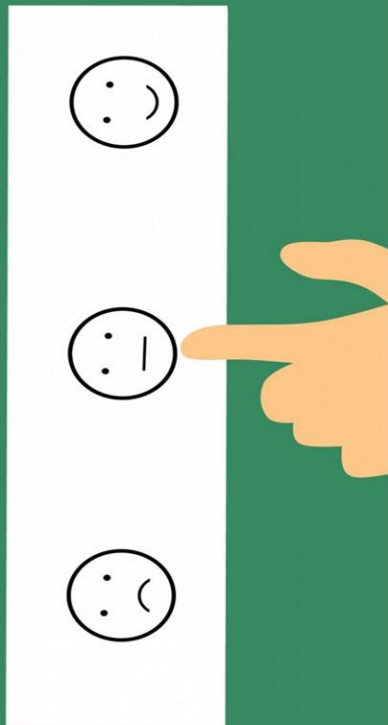
- HR professionals must be able to effectively communicate information, from emails to employees to coaching sessions with managers. Additionally, they should be able to articulate ideas and explain complex information clearly.

Leadership

- Excellent HR leadership skills are essential in modern organizations. Because leaders influence people to be motivated and to do things to a higher standard than the norm, it also means serving an organization or group within it.

Human Resources Expertise

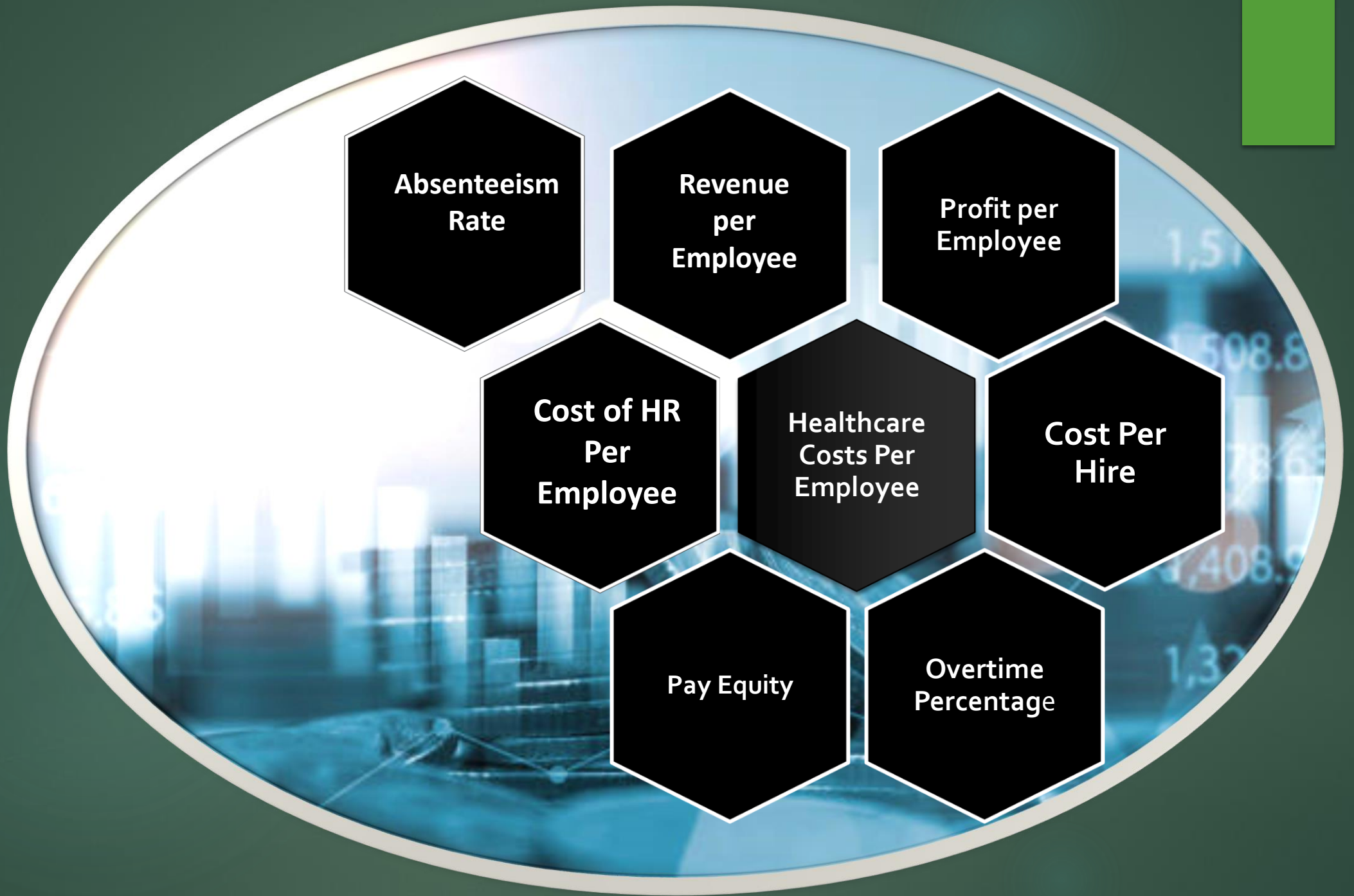
- To be effective, HR professionals must have a deep understanding of the HR function. The specific knowledge required varies by role, but a successful HR generalist requires an understanding of recruitment, onboarding, retention, learning and development, engagement, performance management, compensation and benefits, employment law, and termination.



HR METRICS

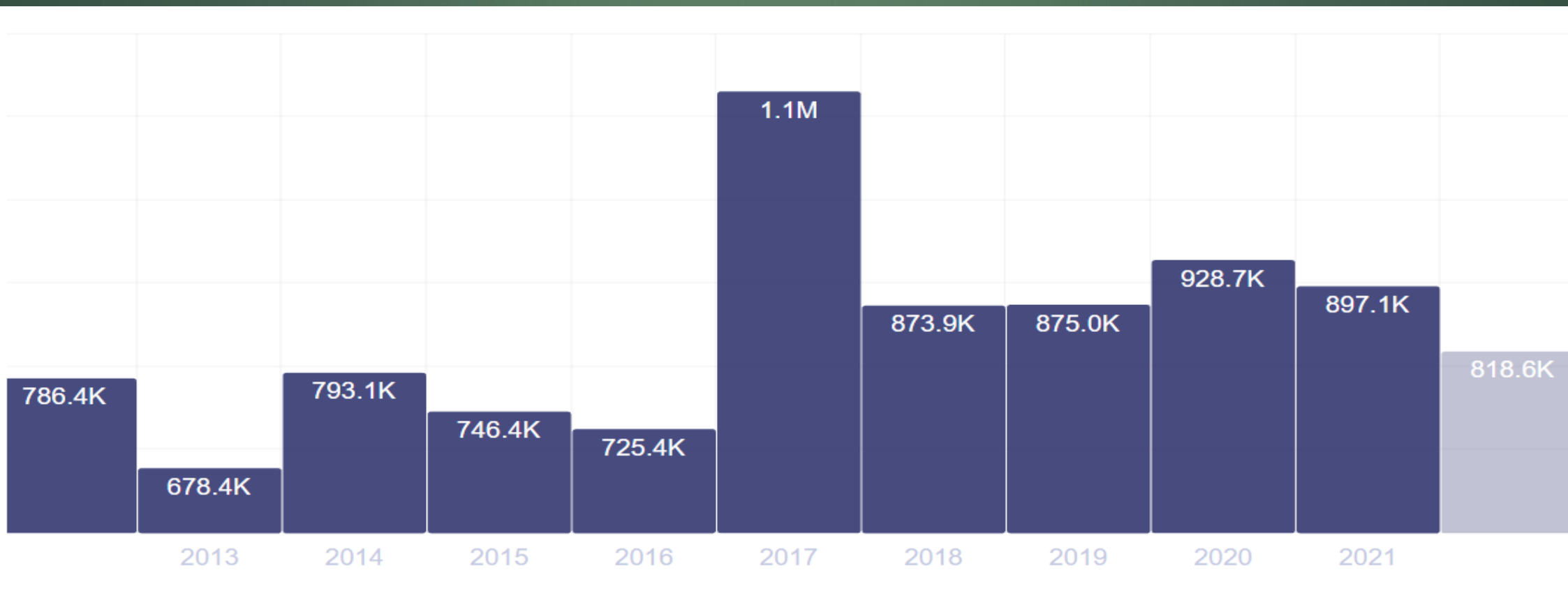
HR Metrics is used to establish a baseline for the company to track productivity, revenue, training, and more. As the numbers increase or decrease around this baseline, we can determine steps to take, as necessary, to improve performance.





Revenue per employee	Profit per employee	
Revenue per employee, which calculates the value of employees to your operations, helps a business know how efficiently they are utilizing their employees. Revenue Per Employee = Total annual revenue ÷ Total number of employees	This metric reflects the company's net profit per employee based on the last 12 months Net profit (from the last 12 months) ÷ Number of FTE employees	
Cost of HR per employee	METRICS	Healthcare cost per employee
HR Cost Per FTE is the total cost a company spends on human resources (HR) function per full-time equivalent. This metric helps you to understand cost expenditure to develop and manage human capital. Cost of HR Per Employee = Total HR salary and benefits ÷ Number of employees		This metric helps to understand how much the budget is being spent on employee health insurance costs. Healthcare Costs Per Employee = Total healthcare costs ÷ Number of employees signed up for healthcare

Revenue per employee of Microsoft company over the past 10 years



Cost per hire	Pay equity
Cost Per Hire is the average amount, resources, and time a company spends on hiring. This metric relates to hiring budgets, not one-time hires. Cost Per Hire = All recruiting and HR staffing costs ÷ Number of new hires	Pay equity is a means of eliminating gender and racism in a company's payroll process. Its purpose is to measure employee compensation so that it is fair, just and equitable. Gender Pay Gap = (Average high pay - Average low pay) ÷ Average high pay) x 100
Overtime percentage	Absenteeism rate
Calculating overtime as a percentage tells how efficiently you are managing your scheduling and overall FTE staff Overtime Percentage = (Overtime pay amount ÷ Total payroll) x 100	The cost of on-going employee absenteeism can impact your bottom line and company's overall performance including employee morale and customer satisfaction Absenteeism = (Work days missed ÷ Total work days scheduled) x 100

METRICS

▶ METHODS TO IMPROVE HR EFFECTIVNESS

- ▶ Enhance organizational communication
- ▶ Provide regular feedback
- ▶ Consult with business leaders.
- ▶ Analyze data.



An illustration on the left side of the slide shows two black silhouettes of people from the waist up, facing each other and shaking hands. Above them is a large black speech bubble containing three small white circles. The background is a dark teal color with faint, light-colored concentric circles. In the top right corner, there is a solid green rectangle.

Enhance organizational communication

Establish structures and practices for relaying HR statistics and coverage modifications to employees. Ideally, this have to take a “waterfall” approach, beginning with senior leadership, then to managers, etc.

Consult with business leaders

After all, HR is a support function Key HR goals are therefore aligned with company and departmental goals Have your HR department hold regular meetings with executives to make sure everyone is on the same page

Analyse data

Make sure the HR metrics count .Report on select metrics regularly to gauge areas of improvement and request feedback

Provide regular feedback.

This works both ways, as feedback should be provided to employees to increase their success, and feedback should be provided to HR to increase its effectiveness. Some ways to do this include surveys, town hall meetings, and focus groups.

HRM Issues

❖ Problems

- Training & Development strategies.
- Employee Health & Well-being
- Talent Retention.
- Managing Relationships.

➤ Herzberg's Theory

Two Dimensions Of Job Satisfaction Are Dissatisfiers And Satisfiers

- Administration
- Company Policy
- Working Conditions
- Supervision
- Relationships
- Salary

❖ Solutions

- Job Promotion
- Achievement Responsibility And Recognition.

IHRM Issues

Solutions

- **Anti-diversity Issues**
- **Gender Inequality And Sexual Harassment Against Woman .**
- **Localisation Vs Standardisation Of Hr Practices**
- **Ethical Challenges**

- **better Management And Supervising**
 - i. **Use Skill Based Assessments**
 - ii. **Transparent In Wages**

conclusion

- ▶ With a systematic study and understanding of current issues in HRM and IHRM of organizations, it is found that by implementing some theories and solutions we can overcome the current issues which help them to manage effectively

sources

- ▶ [HR Effectiveness: How to Measure and Improve Your Efforts | Eddy](#)
- ▶ <https://www.comparably.com/companies/microsoft/morale>

HR Effectiveness Measurement

HR effectiveness Measurement is the process of measuring how impactful the activities of an HR department are to the business. A company's people operations department, no matter how small, plays a major role in the overall success of an organization. For example, a successful recruitment strategy helps route top talent to the company, thereby boosting productivity and leading to increased revenue. Likewise, a dynamic performance management system provides metrics and guidance to employees, helping ensure organizational goals are met.

Following are the key indicators of HR effectiveness measurement:-

➤ Happy, Engaged Employees

- **EMPLOYEE SATISFACTION:**-If this indicator is high, it suggests that workers are happy with their jobs and that the HR department is effectively meeting the needs of employees throughout the company.
-
- **EMPLOYEE ENGAGEMENT:**-Maintaining high employee engagement means workers are more likely to remain at the organization, demonstrating that the HR team is aiding in the long-term sustainability of the company.
-
- **EMPLOYEE ABSENTEEISM:**-If absenteeism is high, it can indicate potential problems that the HR department must address, such as an unhappy and dissatisfied workforce, or inadequate care of employee well-being.

➤ High retention rates

- **Employee cost per hire** : Spending a large amount of money to recruit a low-skilled employee is almost certainly a sign of inefficiency within HR.
- **Equal rates of pay** : If pay rates are equal and fair among all employees (e.g., between genders, ethnicities), then HR has successfully established an equitable workplace. If not, they should consider how they will address pay gaps between demographic groups.
- **Employee retention** :High levels of retention suggest a happy workforce and an effective HR team (e.g., through implementing successful recruitment programs)

➤ Communicative Managers

- One way to tell if an HR person is effective is if managers are willing to ask for help .Managers openness with HR personnel makes it easier to address the Challenges in the workplaces and helps solve small problems before became
- As you already know, communication in companies is key to having a successful organization. Those companies who communicate well with their employees end up with more loyal and motivated workers. Those that don't communicate well, though, see increased turnover, absenteeism, dissatisfied customers, higher product defect rates, lack of focus on business

objectives, and lack of innovation¹. Proper communication can result in a sense of belonging and self-worth, leading to less turnover and absenteeism, we discuss some of the ways we can stay connected with our employees.

➤ **Strong Employer Brand**

- In today's competitive job market a strong employer brand is paramount to success your company image brand is paramount to success your company image is a big factor in hiring and plays a big role in attracting top talent to your company a sign of success
- **Brand strength of the organization:** A high-profile and positive business image can be a big factor in attracting new talent, and also demonstrates that HR has effectively advertised and promoted the company.

➤ **Clearly Defined System and Process**

HR Systems streamline human resources management, improve HR-decision making, enable legislative compliance and help HR teams better support managers and employees.

Also known as HR Management Systems (HRMS) or HR Information Systems (HRIS), an HR system is a business application designed to manage the complete employee lifecycle from recruitment and on boarding through core HR administration to employee engagement and performance management.

An HR system should centralize, secure and organize your employee data, streamline administrative key activities, such as recruitment, on boarding and absence management and help employees work together more collaboratively. Here are the most important features to look out for;

- **Bring all your HR data together (and keep it safe)**
- **Support all your HR functions**
- **Connect and engage your employees (and managers)**
- **Automate time-consuming manual activities**
- **Cope with regional or global differences**
- **Integrate with other business system**

➤ **Airtight HR compliance**

- HR compliance is the process of building policies and procedures that ensure your organization follows up-to-date labor and employment laws and regulations. Not only does HR work to align workplace policies with the local and federal laws, but they also enforce the procedures to ensure all employees follow them.

- HR compliance is vital to your business because all employers need to meet their legal responsibilities. Non-compliance will lead to fines, penalties, or even a lawsuit which can be detrimental to your business. In other words, HR leaders need to prioritize
- **Statutory compliance:** This compliance is about implementing and adhering to government legislation around employment and the workplace. For example, your company is legally required to follow laws concerning minimum wage, working age requirements, and anti-discrimination, to name a few.
- **Regulatory compliance:** Regulatory compliance periodically overlaps with statutory compliance, but the distinction is that your company must follow the rules of a specific regulatory body. Generally, these regulatory agencies fall into three classifications: independent regulatory commissions such as the Federal Trade Commission (FTC), executive agencies like the United States Environmental Protection Agency (EPA), and government corporations, The Centers for Disease Control and Prevention (CDC) being one of them.
- **Contractual compliance:** Contractual compliance is precisely what it sounds like it should be – the compliance with regulations and terms your organization is bound by. This can be a contract between your company and partner organizations or your employees.
- **Union law compliance:** Some companies may deal with union workers, such as The Screen Actors Guild, which represents over 100 thousand performers and technicians. In this case, your company must be aware of the rules set by these unions and adhere to them.
- HR compliance to protect their organization.
- There are many different types of compliance within HR.

CRITERIA TO MEASURE HR EFFECTIVENESS AND HRM ISSUES

INTRODUCTION

Personnel or people management was the initial name for human resource management. Its function used to be relatively constrained. HRM is a structured method of managing people within any firm or organisation. It is a critical component of any organization's management.

The hiring, assessing, educating, and compensating of employees are the core duties of the personnel department. Any problems that staff members have while performing their jobs for an organisation are handled by the human resources division. HR is concerned with particular work practises and how they impact the effectiveness of the organisation. To measure HR effectiveness there are some criteria those are described in this report.

➤ Criteria to measure HR effectiveness

- Employee morale
- Discipline
- Welfare provisions

Employee Morale

Employee morale is an employee's mood, level of contentment, and general outlook when they are working for a company or organisation. If your company has a bad culture, negative consequences like low productivity, low employee happiness, etc. will result. Just to start, it can most definitely result in increased staff churn.

- By the study conducted by Microsoft Individual employees receive meritorious praise, and when asked if they do, 69% of Microsoft employees responded in the affirmative. On the other hand, a feeling of safety and the atmosphere at work can have a big impact on morale at Microsoft. Many Microsoft employees perceive their workplace as friendly and secure. Overall, Microsoft staff members give their happiness an A, which can give us some idea of the mood within the organisation.

Discipline

When employees behave in accordance with the organization's norms and standards of acceptable behaviour, it is said that there is discipline inside the organisation. Employees typically discipline themselves by adhering to acceptable behaviour because they think it is the sensible thing to do.

When people are made aware of what is expected of them, they try to live up to those expectations, provided they believe the standards or norms are reasonable. However, not every employee will be willing to exercise self-control. Some workers are willing to adhere to the standards of proper workplace conduct. Therefore, these employees need to be disciplined extrinsically in some way.

- Microsoft developed new rules for disciplining staff for bad behaviour. The corporation provided managers a range of acceptable sanctions; if managers want to punish staff outside of this range, a corporate vice president must approve it.
- Information concerning what transpired as a result of investigations, including discipline, will be provided to employees who register complaints. Additionally, Microsoft will begin publishing internal reports in the 2020 fiscal year detailing the complaints that employees are making and the disciplinary actions that are being taken as a result.

Welfare provisions

The organization's welfare functions are handled by the HR department.

Employees are less likely to voice concerns or organise a demonstration when they feel the company has a sufficient labour welfare policy. There will be a decrease in employee churn and absenteeism, and a rise in staff productivity.

There is always a tension between an employer's need for greater output and efficiency and an employee's desire for protection from working risks. These conflicts centred almost completely on the manufacturing system's long hours and strenuous physical requirements in the middle of the nineteenth century. Although the conflicts are more diversified and subtle in the early years of the twenty-first century, there is still a great deal of worry about them, which is demonstrated by businesses, workers, trade unions, governmental organisations, and advocacy groups. There is an inherent desire to cut corners with safety and a larger tendency for employees to suffer from stress-related disorders as international competitive pressures increase and businesses respond by offering incentives to work harder and faster.

- Microsoft provides its employees with a 401(k) retirement plan, a 10% discount on employee stock purchases, a plan to refinance student loans, financial planning and education programmes, and a group legal plan that helps them with a range of legal services.

HRM ISSUES

Training and development strategies

The goal of training and development is to increase the productivity of teams, individuals, and organisations. While development is tied to the advancement of longer-term organisational and personnel goals, training may be considered as related to immediate changes in organisational effectiveness through structured instruction. Although the terms "training" and "development" theoretically have different meanings, they are frequently used together or interchangeably. However, over the past 20 years, training and development have grown to be closely related to human resources management, talent management, human resources development, instructional design, human factors, and knowledge management. Historically, training and development have been topics within adult education and applied psychology.

- **Employee health and well being**

The epidemic made it clear that organisations need to have programmes for mental health and wellness. Both the body and the mind required calming, and HR specialists took the lead in offering workers' remedies. They are still expanding their products more than two years after the outbreak began.

- **Talent retention**

The most cost-effective service a human resources team can offer to an organisation is talent retention. Your company's most valuable resource is its workforce, and keeping experienced employees on board is essential to its success.

- **Managing relationships**

One of the most important facets of human resources (HR) management that has the ability to promote organisational performance is employee relationship management. Employee relationship management specifically entails HR specialists developing, promoting, and upholding a positive relationship with the company's employees.

Conclusion

An HRM contributes to an organisation success by hiring effective employees accessing training programs and managing relationship. The value of Human Resource Management immense and cannot be expressed solely in monetary value. The Employee morale, discipline and welfare provisions are the main criteria to measuring the HR effectiveness and HR issues can be resolved on developing the training procedure, employees wellbeing development and appreciation and prizes can be help to increase the employees empowerment and atmosphere to achieve the goals.

CHARACTERISTICS OF HR PROFESSIONALS

INTRODUCTION

If human resources management does not fully comprehend the traits that a successful human resource manager must have, they may not always be able to deliver the right human resources for a firm that needs to flourish. Successful managers are those who have the versatility to carry out a wide range of tasks and who can successfully motivate their team to perform at their highest level. Not everyone has what it takes to be an effective human resource manager. In recent years, the relevance and function of human resource management have increased by leaps

Active listening, verbal and nonverbal communication, social awareness, self-management, accountability, and many more abilities are necessary for HR professionals. People with strong interpersonal skills are naturally effective communicators and managers, and they can succeed in the field of human resources.

VISIBILITY

The adoption of best practices inside the company is what determines HR's visibility. It's not enough to merely adhere to best practices. We must create best practices that provide the necessary best practices for the business. For each of us to outperform rivals in the employment market, we must select up to three priorities. Being visible can help you advance in your profession because when others are aware of who you are and what you are capable of, they are more likely to consider you for intriguing jobs or promotions. And despite their best efforts, people who keep their heads down frequently lose out.

To improve visibility, building a company culture involves taking an effort to teach employees that a firm is only as good as its employees. This is what elevates HR from a purely functional position.

DEPENDABILITY

Strong leaders are trustworthy. According to research, dependability is a critical component of performance because dependable leaders are more likely to guarantee the timely completion of major initiatives. Leaders also set the tone for acceptable and desirable behavior in the company. A dependable employee is one who not only arrives at work on time each day but also consistently performs quality work and can apply organizational guidelines and business tactics uniformly to every task and assignment. He commits, follows through on what has been done, and delivers on time.

RESPONSIVENESS

Most effective professionals are responsive, and this trait holds true whether you're working with internal or external stakeholders. Enhancing employee responsiveness can have a significant impact on your organization's collaboration and customer happiness.

Being receptive demonstrates your concern for other people and priority for their needs. This improves relationships, cultivates trust, and fosters goodwill within your network. Being responsive might make you stand out and strengthen your brand if you are competing in a crowded market.

COMMUNICATION SKILLS

One of the most crucial life skills to learn is how to communicate effectively. The definition of communication is the exchange of information to know more. A crucial component of HR's job is facilitating employee communication. Effective internal communication fosters trust inside an organization and has a big impact on productivity, organizational culture, and employee engagement.

The practice of social work is centered on effective communication. Social workers will be less able to if they lack strong communication skills to Discover the thoughts and feelings of service consumers, caregivers, and other professionals. Give the information that is required by others. Because it increases employee morale, engagement, productivity, and satisfaction, communication in the workplace is crucial. For improved teamwork and cooperation,

communication is also essential. Effective workplace communication ultimately contributes to improved performance for individuals, teams, and organizations.

LEADERSHIP

The ability to effectively direct an organization's resources in order to increase productivity and meet corporate objectives is a key component of management. Clarity of purpose is essential for effective leadership, as is inspiring and directing the organization to accomplish its goals. Whatever your position, knowing what a leader does can help you contribute more effectively to the achievement of your company's goals. In this article, we talk about the value of leadership and how it affects an organization's success.

The performance of many organizational activities depends on effective management, which is why many firms place a high value on effective leadership. Creating a vision for the business is one of a leader's most significant responsibilities. The organization's leader outlines the purpose of the vision and what its members may do to realize it.

Even though a company may have a large number of employees, each with unique skills and abilities, leadership is what guides these individual efforts toward the achievement of a larger objective. A competent leader organizes individual efforts for the advancement of a common objective, inspires teams, and helps the organization achieve excellence.

HUMAN RESOURCES EXPERTISE

Human resource experts can do important tasks with the use of HR skills. Interpersonal abilities, hiring practices, and effective communication are among the examples. These components are also referred to as "HR skills" and "HR skills." These talents may involve executive function

Budgets and workforce requirements need to be balanced, according to HR managers. Additionally, human resources should be able to gauge employee satisfaction and boost productivity. These activities all require the capacity to compile and understand data.

CONCLUSION

On the basis of the above-mentioned discussion, Human Resource Management is the key technique of managing the behavior of organization employees and providing them with training in order to develop and enhance their skills and make them able to complete their job and compete in new market trends and dynamic business environments.

Human Resource professional skills can boost up an organization's Business, and make the organization sustainable in the current market and also help the organization to enter into a new market to start a new business to make extra revenue and also human resource professionals with their skills helps the organization to build a better and competitive atmosphere which enables it to make and implement new business strategies and idea to have the best possible income.

At last, it can be concluded that the process of human resource planning is vital in assessing both the current and future needs of the organization in terms of quantity as well as quality

HR METRICS

Introduction

Employers use human resource (HR) metrics to measure how their human capital costs contribute to the company's overall performance. HR metrics can also be used to provide a foundation for our business to track productivity, revenue, training and more. As the numbers increase or decrease around this baseline, we can take action to improve performance according to the result. These metrics help to ensure the effectiveness of hr.

Mainly there are eight types of human resource metrics that the company uses to evaluate the performance they are

1. **Revenue per employee**
2. **Profit per employee**
3. **Cost of HR per employee**
4. **Healthcare cost per employee**
5. **Cost per hire**
6. **Pay equity**
7. **Overtime percentage**
8. **Absenteeism rate**

When having a look into the metrics one by one

Revenue per employee

Revenue per employee is an efficiency ratio used to calculate the amount of money made per employee at a company. The revenue per employee ratio is critical in determining a company's average employee's efficiency and productivity. It is calculated by dividing total annual revenue of the company by the total number of employees in the company.
i.e.

Revenue Per Employee =
Total annual revenue ÷ Total number of employees

For example

If a company has 35587 employees and it reports revenues of £55838 million

Then the revenue per employee = 55838 million ÷ 35587

$$= 1.5691\text{M} / \text{employee}$$

Profit per employee

Profit per employee, also known as net income per employee, is a method of calculating how much profit each of the company's employees brings in over a set period of time. In most cases, having the highest profit per employee ratio possible is a positive outcome for an organisation because it indicates that its employees are well-trained, well-managed, and productive. It can be calculated by dividing the net profit of the company by the number of full-time equivalent employees.

Profit per employee =
Net profit (from the last 12 months) ÷ Number of FTE employees

For example

If a company has 37 employees and the company's profit over previous year was £209,994, then the profit per employee will be

$$\begin{aligned} &£209,994 \div 37 \\ &=£5675 \end{aligned}$$

Cost of HR per employee

If the company has an HR manager or another person on the staff who performs HR-related duties, such as payroll or execution of new hire orientation and employee training, then this metric will help assess the overall cost of HR support. It can be calculated by dividing net salary of HR with total number of employees

Cost of HR Per Employee =
Total HR salary and benefits ÷ Number of employees

If the hr cost of a company is £150,000
And the total number of full-time equivalent employees are 65
Then the cost of hr per employee of that company will be

$$\begin{aligned} &£150000 \div 65 \\ &=£2308 \text{ per employee} \end{aligned}$$

Healthcare cost per employee

This metric calculates the average health insurance costs to the company for each employee, regardless of their level of coverage under the company's plan. Whereas the companies regularly endeavour to offer competitive wellbeing protections benefits to current and potential representatives in arrange to hold and draw in skilled people, program cost must be benchmarked against those advertised by comparative companies and the showcase, in common to guarantee that the company isn't over or under serving their workforce.

It can be calculated by dividing total health care cost by total number of employees signed up for health care

I.e.

Healthcare Costs Per Employee =

Total healthcare costs ÷ Number of employees signed up for healthcare

Cost per hire

One of the most important and widely used hiring and recruiting metrics is cost-per-hire.

Cost-per-hire is related to recruiting talent and refers to the total cost of bringing in a new employee, including the expense of the recruitment process, equipment, travel costs, administrative costs, and benefits.

Cost Per Hire =

All recruiting and HR staffing costs ÷ Number of new hires

If the company hired a total number of 300 people per year and the total recruiting expenditure of the company is £750,000. Then the cost per hire will be

$$£750,000 \div 300 = £2500$$

Pay equity

Pay equity is a means of eliminating gender and racism in a company's payroll process. Its purpose is to measure employee compensation so that it is fair, just and equitable. The gender pay gap is the difference in

average gross hourly earnings between women and men. It can be calculated by

Gender Pay Gap =

$(\text{Average high pay} - \text{Average low pay}) \div \text{Average high pay} \times 100$

Overtime percentage

Calculating overtime as a percentage tells how efficiently we are managing the company's scheduling and overall FTE staff. It is the ratio between the number of overtime hours and the number of regular hours that an employee works during a payroll period.

Overtime Percentage =

$(\text{Overtime pay amount} \div \text{Total payroll}) \times 100$

for example

if the company have a bi-weekly payroll schedule, the total number of overtime hours is the extra hours the employee work within that time period. By assuming an administrative assistant works a traditional 40-hour workweek on a bi-weekly payroll schedule. This means that we need to calculate their overtime based on two 40-hour workweeks. If the assistant works four hours of overtime during the first week of payroll and two hours the second week, their total overtime is six hours.

Overtime percentage = $(6) \div (80) \times 100 = (0.075) \times 100$

Overtime percentage = $(6) \div (80) \times 100 = (0.075) \times 100 = 7.5\%$

Absenteeism rate

An absenteeism rate is a yearly tally of unexpected staff absences due to illness or other personal reasons. It can be calculated by multiplying the dividend of total number of work days employee missed by total days scheduled with 100.

Absenteeism =

$(\text{Work days missed} \div \text{Total work days scheduled}) \times 100$

Above these are the basic metrics used to measure the effectiveness of hr.

Conclusion

Tracking HR metrics on a regular basis and acting on the results has several advantages, including Improving the allocation of labour resources in terms of scheduling, bidding, hiring, and compensation. It helps in Predicting the outcomes of proposed actions such as personal time off policies, benefit changes, team composition, and additional shifts or locations. HR metrics benefits in reducing compliance risks associated with overtime, minimum wage, exempt vs. non-exempt classification, payroll-based journal, Family Medical Leave Act, and Affordable Care Act They improve ROI on HR programmes such as engagement, wellness, financial planning, and performance.

METHODS TO IMPROVE HR EFFECTIVENESS

INTRODUCTION :

HR effectiveness refers to measuring how effective an HR department's actions and activities are to a business which goes through a lot of ups and downs as well. A highly effective HR team plays a major role in helping a company thrive, especially since HR leaders are involved in shaping overall business decisions. here we discuss about the methods to improve HR EFFECTIVENESS. Since its measured with a scale to find the effective ways to escalate productiveness we undergo some evident ideas such as Ensuring effective use of resources, Workforce and budget planning, Understanding the overall impact of HR. also some rather practices and techniques are given below to improve hr effectiveness.

Undertaking these given steps can enhance HR EFFECTIVENESS;

1. **Enhance organizational communication** - Effective communication is the glue that holds all your employees together. It unites everyone, from the top management to the frontline and remote workers, towards a shared set of organizational goals and values.

- Encourage one-to-one conversations
- Sprinkle a little humor
- Nurture two-way communication
- Bring consistency in your communication
- Train your staff on effective communication
- Conduct more open sessions
- Leverage the right tools and technology
- Cultivate the habit of active listening

Open talks make an opportunity to a wide and vast sharing of knowledge and information. thereby it enhances a broad platform for the employees and employers to have a fertile production in management. It sorts out the confusions and clarifies the problems within the organization. Adding a little of humor in conversations helps to make the discussion ease and also pressure less. There should be transparency between the employees and the organization so that it paves way to two-way communication. The liberty to opionate helps to create strong bond between the apprentice and the organization. when it comes to the training session by providing right kind of knowledge and effective approach enhance the effectiveness.

2. **Provide regular feedback** - in order to motivate your team and increase their productivity and motivation, feedback is crucial. Feedback will increase the companies positive atmosphere and culture which can process the increase in productivity and engagement of all employees and it also enhance the working relationships and create a feeling of trust between them.

- engagement and productivity will boost employees performance
- Provides clear goals and milestones, and enables employees to evaluate their own performance
- Allows employees to recognize their strengths and work on their weakest points
- Improves connections between employees and managers

Once an organization follow these steps, it can produce a productive community of skilled workers which employees is unbeatable.

- You will establish a more positive company culture and atmosphere
- Your employee turnover will decrease
- Revenues will increase due to the boost in productivity and engagement.

3. Consult with business leaders - A technique known as consulting is used to evaluate risk, reach consensus, or carry out arbitration. Owners of businesses are advised by outside management consulting professionals to better grasp their roles and missions and to develop their capacity for implementing effective and pertinent management processes.

- aids in identifying the source of the issue
- betterment of skills
- Accessing experienced suggestions and feedbacks
- Enhancing unpaved paths of self-elevation.

Through proper informative leading any employee with flaws can get escalated and can be put in to most production. exemplifying would be googled. They provide every facilities to their employees and also they present the best leadership consulting platforms for their employees so that they won't even make a small issue regarding their projects and works as well.

4. Analyze Data - Although numerous groups, organizations, and specialists approach data analysis in various ways, most of them may be boiled down into a general description. Data analysis is the process of modifying, processing, and cleaning raw data in order to obtain useful, pertinent information that supports commercial decision-making. The process offers helpful insights and statistics, frequently presented in charts, graphics, tables, and graphs, which lessen the risks associated with decision-making. One of an association's most valuable resources is its data, which determines each association's distinctiveness. You have information on members and potential members, their purchasing habits and interests, as well as information on your staff, speakers, events, content, social media, budget, and strategic strategy.

- Better Customer Targeting
- Reduce Operational Costs
- Better Problem-Solving Methods
- You Get More Accurate Data

How data being analyzed

- Data collection

- Data cleaning
- Data analysis
- Data interpretations
- Data visualization

Through these steps an organization can easily come up with best outcomes and flawless productions using accurate data.

CONCLUSION

Gathering all the points together I conclude that HR EFFECTIVENESS is an evident source of management stability. Its modulation and advancement are really important for the sustainability and empowerment of the management. The main keys for improving the HR EFFECTIVENESS are given above such as enhancing organizational communication, providing regular feedback, consulting with business leaders and analyzing data. A strong employer brand can increase the communication for business teams which can improve the management stability. These theories explain how important is the communication in an organization with solutions so to resolve them. by practicing them efficiently, management of an organization can meet its goals and achievements.

