
Human resource management — Workforce availability metrics cluster

*Management des ressources humaines — Indicateurs de mesure de la
disponibilité de la main d'œuvre*

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Published in Switzerland

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Foreword

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardization.

The procedures used to develop this document and those intended for its further maintenance are described in the ISO/IEC Directives, Part 1. In particular, the different approval criteria needed for the different types of ISO documents should be noted. This document was drafted in accordance with the editorial rules of the ISO/IEC Directives, Part 2 (see www.iso.org/directives).

Attention is drawn to the possibility that some of the elements of this document may be the subject of patent rights. ISO shall not be held responsible for identifying any or all such patent rights. Details of any patent rights identified during the development of the document will be in the Introduction and/or on the ISO list of patent declarations received (see www.iso.org/patents).

Any trade name used in this document is information given for the convenience of users and does not constitute an endorsement.

For an explanation of the voluntary nature of standards, the meaning of ISO specific terms and expressions related to conformity assessment, as well as information about ISO's adherence to the World Trade Organization (WTO) principles in the Technical Barriers to Trade (TBT), see www.iso.org/iso/foreword.html.

This document was prepared by Technical Committee ISO/TC 260, *Human resource management*.

Any feedback or questions on this document should be directed to the user's national standards body. A complete listing of these bodies can be found at www.iso.org/members.html.

Introduction

ISO 30414 highlights guidelines on the following core human capital reporting areas or clusters:

- compliance and ethics;
- costs;
- diversity;
- leadership;
- organizational culture;
- organizational health, safety and well-being;
- productivity;
- recruitment, mobility and turnover;
- skills and capabilities;
- succession planning;
- workforce availability.

This document deals specifically with the cluster of metrics in the workforce availability area. Managing workforce availability is a major challenge for all kind of organizations. ISO 30414:2018, 4.7.12, describes the significance of the workforce availability metrics.

Workforce availability metrics should be calculated at a granular level within organisations and aggregated across organisations, locations or both to deliver an overall understanding of each metric at every level as well as the aggregate workforce availability position, e.g. team, stream, department, location and organization level.

The metrics within the workforce availability metrics cluster as documented in ISO 30414 are:

- a) number of employees;
 - headcount;
 - number of full-time and part-time employees;
- b) total full-time equivalents (FTE);
- c) contingent workforce;
 - independent contractor;
 - temporary workforce: leasing, interim or supervised workers;
- d) absenteeism.

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Human resource management — Workforce availability metrics cluster

1 Scope

This document describes the measurement elements of workforce availability for organizations. This document provides the formula for comparable measures for internal and external reporting. This document also highlights issues that need to be considered when interpreting compliance data, especially when deciding on appropriate interventions internally and when reporting these to external stakeholders (e.g. regulators, investors).

This document pertains to the working capacity of the permanent and temporary workforce, and does not consider their existing allocated work, skills or suitability for taking on specific work efforts. These subjects are addressed in ISO 30409.

2 Normative references

There are no normative references in this document.

3 Terms and definitions

No terms and definitions are listed in this document.

ISO and IEC maintain terminological databases for use in standardization at the following addresses:

- ISO Online browsing platform: available at <https://www.iso.org/obp>
- IEC Electropedia: available at <http://www.electropedia.org/>

4 Number of employees — Headcount

4.1 General

Headcount describes the number of people working for an organization. It is calculated by counting each employee as an individual part of the workforce, no matter the time they are engaged by the organization. This description also includes those full-time or part-time employees currently working zero hours. Headcount is broken down further into two categories:

- total headcount;
- total full-time headcount and total part-time headcount.

4.2 Purpose

This metric highlights the number of employees available to the organization at any measurement point.

ISO 30414:2018, 4.7.12, highlights the purpose of this metric.

4.3 Formula

The calculation of the headcount, either full-time or part-time, should align with the financial year, the annual budgeting cycle or both. The point in time for calculation is at the end of each defined measurement period, for example the end of month one, the end of quarter two or end-of-year totals.

Once established, the reporting should include a comparison of previous periods with the current period and of past years with the current year. Three-to-five years is a typical comparison period. This measurement period will allow trends to be established and further allow an organization to better manage expectations and outcomes by establishing targets for future comparison. A further comparison of actual headcount to budgeted headcount adds to the depth of understanding of headcount for managers, executives, the board and other relevant stakeholders.

The example in [Table 1](#) compares the actual headcount with the budgeted headcount by quarter over a one-year period. This analysis can be expanded to include a full-time and part-time breakdown, a comparison with previous years or both.

Table 1 — Quarterly comparison of budgeted headcount with actual headcount

Department	Headcount							
	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual
Central functions and administration	4 850	4 774	4 850	4 850	4 900	4 875	4 900	4 898
Logistics	6 150	6 132	6 150	6 150	6 200	6 175	6 200	6 198
Production	1 350	1 351	1 365	1 365	1 365	1 365	1 375	1 365
Research and development	990	993	990	991	990	990	990	990
IT	1 160	1 157	1 165	1 160	1 165	1 162	1 165	1 162
Sales	3 875	3 868	3 875	3 868	3 900	3 875	3 900	3 874
Total	18 375	18 275	18 395	18 384	18 520	18 442	18 530	18 487

4.4 How to use

Headcount can be used to monitor the size and mix of the workforce. Headcount can be both a historical and leading indicator of growth along with potential issues with expansion or contraction of the workforce. The more granular the dissection of the workforce size the greater the potential for analysis (e.g. breaking down the workforce by department or team, comparing teams or departments based on budgeted headcount and comparing “like for like” headcount with comparable teams). An increasing gap between budgeted and actual headcount can indicate the area has issues with attraction or retention of workforce.

5 Full-time equivalent (FTE)

5.1 General

Full-time equivalent (FTE) describes the number of full-time employees needed to complete the total hours worked in a defined period.

5.2 Purpose

The conversion of part-time employees to FTE highlights the equivalent number of full-time employees delivering the outputs and outcomes for an organization. Headcount by itself can be misleading as the number of part-time employees can skew the total number of employees required to deliver organizational outcomes.

The combination of full-time employees and calculation of part-time employees to FTE offers greater insight into the construction of the organization. The percentage of FTE who are part-time employees offers further insight into the make-up of the employees over time.

5.3 Formula

The calculation of the FTE should align with the financial year, the annual budgeting cycle or both. The point in time for calculation is at the end of each defined measurement period, for example the end of month one, the end of quarter two or end-of-year totals. If for any reason the organization decides on another measurement point, utilization of the preferred measurement point should be consistent and articulated.

Once established, the reporting should include a comparison of previous periods with the current period and of past years with the current year. Three-to-five years is a typical comparison period. This measurement period will allow trends to be established and further allow an organization to better manage expectations and outcomes by establishing targets for future comparison. A further comparison of actual FTE with budgeted FTE adds to the depth of understanding of headcount for managers, executives, the board and other relevant stakeholders.

The formula for the calculation of FTE is:

$$D = A + (B/C)$$

where

- A is full-time employees;
- B is part-time total hours;
- C is average weekly working hours;
- D is full-time equivalent total.

Using the Central functions and Administrative Row in [Table 2](#) below, an example of the application of the formula is as follows:

$$140 = 100 + (1\ 600/40)$$

5.4 How to use

[Table 2](#) calculates the FTE hours for part-time employees and adds the full-time employees for the nominated period. The calculation assumes the time per week worked by full-time employees equals 40 h.

Table 2 — FTE calculation as of 31 December 2016

Department	Part-time hours worked	FTE for part-time hours	Full-time employees	Total FTE
Central functions and administration	1 600	40	100	140
Logistics	2 400	60	240	300
Production	3 600	90	410	500
Research and development	400	10	40	50
IT	600	15	15	30
Sales	0		45	45
Total	8 600	215	850	1 065

Table 3 highlights the growth of both total FTE and the growth in part-time employees as a percentage of total FTE.

Table 3 — FTE over time and percentage of FTE that are part-time

Department	2016		2017		2018	
	FTE	Percentage of part-time FTE	FTE	Percentage of part-time FTE	FTE	Percentage of part-time FTE
Central functions and administration	140	28,57	150	33,33	170	41,18
Logistics	300	20,00	350	32,00	400	35,25
Production	500	18,00	600	25,00	650	30,00
Research and development	50	20,00	50	20,00	50	20,00
IT	30	50,00	35	35,00	40	30,00
Sales	45	0,00	50	0,00	60	0,00
Total	1 065	20,19	1 235	27,06	1 370	31,24

6 Contingent workforce

6.1 General

Globally, the use of contingent and temporary workforces is increasing due to improving technology, a remote workforce, the gig economy and the need for organisations to improve flexibility and agility.

6.2 Purpose

The purpose of measuring contingent workforce is to gain an understanding of the effort and working hours produced by this labour source. This understanding of effort and working hours can then be compared and analysed as described in 6.4.

6.3 Formula

The calculation of the contingent workforce, the temporary workforce or both should align with the financial year, the annual budgeting cycle or both. The point in time for calculation is at the end of each defined measurement period, for example the end of month one, the end of quarter two or end-of-year totals. If for any reason the organization decides on another measurement point, utilization of the preferred measurement point should be consistent and articulated.

Once established, the reporting should include a comparison of previous periods with the current period and of past years with the current year. Three-to-five years is a typical comparison period. This measurement period will allow trends to be established and further allow an organization to better manage expectations and outcomes by establishing targets for future comparison. A further comparison of actual headcount with budgeted headcount adds to the depth of understanding of contingent workforce for managers, executives, the board and other relevant stakeholders.

Total contingent workforce is the sum of all workforce as described in ISO 30414:2018, 4.7.12.3.

Total temporary workforce is the breakdown of all workforce as described in ISO 30414:2018, 4.7.12.3 b) and Table 4.

6.4 How to use

Table 4 — Temporary workforce

Temporary work-force training type	6 months to 30-06-2020	Comparative 2019 as of 30-06-2019	Comparative 2018 as of 30-06-2018	Comparative 2017 as of 30-06-2017
Total number of free-lancers and consultants (independent contractors)	90	85	85	80
Total number of leased and agency workforce	87	85	80	70
Total contingent workforce	177	170	165	150

Depending on the size and complexity of the organization, [Table 4](#) can be further expanded to include subsets, e.g. by department, service line, location or capability.

7 Absenteeism

7.1 General

Absenteeism is important to measure as it impacts the overall ability of an organisation to deliver outputs and productivity levels on a day-to-day basis.

7.2 Purpose

This metric displays the percentage of available working days that employees are unavailable. Employees can be absent from work because of sickness, injury, medical problems, personal issues, strikes or job dissatisfaction. These absences can be avoidable or unavoidable. Vacation, statutory holidays and authorized leave are not part of the absenteeism rate calculation.

7.3 Formula

The calculation of absenteeism should align with the financial year, the annual budgeting cycle or both. The point in time for calculation is at the end of each defined measurement period, for example the end of month one, the end of quarter two or end-of-year totals. If for any reason the organization decides on another measurement point, utilization of the preferred measurement point should be consistent and articulated.

Once established, the reporting should include a comparison of previous periods with the current period and of past years with the current year. Three-to-five years is a typical comparison period. This measurement period will allow trends to be established and further allow an organization to better manage expectations and outcomes by establishing targets for future comparison. A further comparison of actual absenteeism with budgeted absenteeism adds to the depth of understanding of absenteeism for managers, executives, the board and other relevant stakeholders.

The calculation of an absenteeism rate is:

$$A = B/C \times 100$$

where

- A is the absenteeism rate as a percentage of available working days;
- B is the number of absent days through the measurement period;
- C is the number of available working days through the measurement period.

EXAMPLE C = 1 200; B = 25; A = (25/1 200 × 100) = 2,08 %.

7.4 How to use

Table 5 indicates a reducing absenteeism rate overall. However, the granularity of Table 5 highlights a potential problem in production as there has been an approximately 50 % increase in absenteeism across the measurement period. Further investigation is warranted.

Table 5 — Absenteeism as a percentage of available working days, by department

Department	Absenteeism rate %							
	2020					2019	2018	2017
	Full year	Q4	Q3	Q2	Q1	Full year	Full year	Full year
Central functions and administration	2,44	2,25	2,25	2,5	2,75	2,5	2,25	2,5
Logistics	3,19	3	3,5	3,25	3	3	3,25	3
Production	3,39	3,8	3,5	3,25	3	3	3,8	2,5
Research and development	2,06	2	2	2	2,25	2,5	2,25	2,25
IT	2,06	2	2	2	2,25	2,5	2,25	2,25
Sales	3,81	4,25	4	3,5	3,5	4	4,25	4

7.5 Intended users

As the workforce availability cluster metrics are closely related and reported, the intended users across the range of metrics are similar and include:

- internal users;
 - boards;
 - other human resource service lines;
 - executive team;
 - line management;
 - union delegates (if applicable);
 - finance;
 - legal;
- external users;
 - investors;
 - financial analysts;
 - unions (if applicable);
 - media;