

THE ULTIMATE HR CHEAT SHEET

KEY FUNCTIONS OF HR

- Human resource planning**
Ensures the organization has the right people in the right roles at the right time to achieve its strategic goals.
- Recruitment and selection**
Attracts and chooses the best candidates to meet the organization's needs and improve productivity.
- Performance management**
Maintains productivity and engagement through clear goals, feedback, and continuous development.
- Learning and development**
Equips employees with the necessary skills for future organizational needs and personal growth.
- Career planning**
Aligns employee ambitions with organizational goals to enhance engagement, succession planning, and retention.
- Function evaluation**
Ensures fair compensation and strategic alignment by assessing job roles based on their value and requirements.
- Rewards**
Encompasses compensation, benefits, career opportunities, and work-life balance to attract and retain employees.
- Industrial relations**
Maintains positive interactions with labor unions to manage conflicts and ensure smooth operations.
- Employee participation and communication**
Keep employees informed, engaged, and heard on relevant topics.
- Health and safety**
Creates a safe work environment and integrate safety into the company culture.
- Total wellbeing**
Supports employees' mental, physical, and financial health to enhance performance and engagement.
- Administrative responsibilities**
Includes managing personnel procedures and HR information systems for efficient operations.

EMPLOYEE RELATIONS

Tips for an effective strategy

- Understand the psychological contract**
Fulfill implicit employee-employer expectations to maintain trust and satisfaction.
- Ensure honest communication**
Foster open, timely communication and gather employee feedback through surveys.
- Promote the company's vision**
Regularly share the company's goals and values to show employees how their work contributes to the bigger picture.
- Trust people**
Empower employees with clear expectations and trust in their decision-making.
- Improve recognition and appreciation**
Regularly acknowledge employees' efforts with public praise and celebrations to boost motivation and engagement.
- Invest in your people**
Provide development opportunities and wellness programs, offering flexibility for work-life balance and personal growth.
- Foster DEIB**
Promote a fair and inclusive workplace through equitable policies and training that support diversity and inclusion.
- Consider legal aspects of employee relations**
Ensure compliance with legal standards to protect employees' rights and avoid legal issues.
- Monitor employee relations**
Use metrics and feedback to assess and improve employee relations. Leveraging technology for effective tracking and management.
- Monitor employee relations**
Develop clear policies for fair treatment and proactive conflict resolution.

SKILLS EVERY HR PROFESSIONAL NEEDS

HR-specific skills	Soft skills	Business acumen	Digital & data literacy
<ul style="list-style-type: none"> HRM knowledge & expertise Recruitment & selection Administrative expertise Cultural awareness & sensitivity Wellbeing evangelism Employee experience expertise 	<ul style="list-style-type: none"> Proactivity Communication skills Active listening Teamwork 	<ul style="list-style-type: none"> Coaching Advising Commercial awareness Managing priorities HR strategy creation & execution 	<ul style="list-style-type: none"> Being analytical & data-driven HR reporting skills Command of technology

HR FOUNDATIONS

- Workforce strategy:** HR should lead in creating a strategic plan for workforce needs, including staffing, pay, benefits, and performance management.
- Organizational design:** HR helps manage and implement a company's strategy, influencing its organizational structure and culture.
- HR services:** HR is responsible for researching and implementing services that support both employees and business operations, like self-service tools and assistance programs.
- HR technology:** HR drives the adoption of cost-effective technology solutions to enhance HR services, payroll, compliance, and other functions.

PERFORMANCE MANAGEMENT

Methods

- Goal setting:** Use SMART (Specific, Measurable, Achievable, Relevant, Time-bound) goals to give employees clarity, motivation, and alignment with organizational objectives.
- Continuous performance management:** Engage in regular discussions and real-time feedback to build trust, address issues promptly, and foster a growth-oriented culture.
- Management by Objectives (MBO):** Align employee goals with organizational objectives, assess performance through data, and provide feedback to guide development and identify skill gaps.
- 360-degree feedback:** Collect feedback from managers, peers, and self-evaluations to offer a comprehensive view of performance, supporting training and development.
- Performance appraisals:** Conduct regular, structured evaluations to review employee performance, set career development paths, and boost morale and retention.
- Coaching:** Focus on one-to-one mentoring to develop specific skills and goals, encouraging employees to find their own solutions and fostering autonomy.

RECRUITMENT & SELECTION

The recruitment process

- Preparing:**
 - Vacancy intake with the hiring manager
 - Write job description
 - Creating job adverts
- Sourcing:**
 - Sourcing candidates
 - Checking the existing talent pool
 - Keeping the hiring manager informed
- Screening:**
 - Screening resumes
 - Phone screening
 - Giving a realistic job preview
- Recruiting:**
 - The job interview
 - An assessment
 - References and background check
 - The hiring decision
 - Job offer and contract

HR KPIS

- Absence Rate:** Measures the frequency of employee absences, indicating potential issues with workplace satisfaction or health.
- Absence Cost:** Evaluates the financial impact of employee absences on the organization.
- Benefits Satisfaction:** Assesses employee contentment with benefits, which can reduce turnover.
- Employee Productivity Rate:** Indicates the efficiency and effectiveness of employees' work performance.
- Employee Satisfaction Index:** Gauges overall employee happiness and satisfaction within the company.
- Employee Engagement Index:** Reflects the level of employee involvement and enthusiasm for their work.
- Employee Innovation Index:** Measures the extent to which employees contribute innovative ideas and solutions.
- Internal Promotion Rate:** Shows the organization's ability to advance employees internally, reducing hiring costs.
- Net Promoter Score (NPS):** Determines how likely employees are to recommend the organization to others.
- Labor Cost Percentage:** Evaluates the proportion of organizational costs attributed to employee expenses.
- Quality of Hire:** Indicates the effectiveness of the recruitment process by measuring new hire performance.
- Turnover Rate:** Tracks the rate at which employees leave the organization, impacting stability and costs.
- Involuntary Turnover Rate:** Measures the number of employer-initiated separations, reflecting workforce management effectiveness.
- Voluntary Turnover Rate:** Assesses the rate at which employees choose to leave, indicating job satisfaction levels.
- Regrettable Attrition Rate:** Evaluates the departure of employees the organization regrets losing, highlighting potential retention issues.
- Training Effectiveness:** Measures the success of training programs in achieving their intended outcomes.
- 90-Day Quit Rate:** Indicates the percentage of new hires who leave within the first three months.

COMPENSATION & BENEFITS

- Total rewards:** Encompasses all benefits, incentives, and perks an employer offers, detailed in a total rewards statement (TRS).
- Gross wages:** The total taxable earnings before taxes and deductions, including overtime, tips, and bonuses.
- Net pay:** The take-home income after all deductions and taxes are subtracted.
- Fixed pay:** A set amount paid regularly, regardless of hours worked or performance, often including additional allowances.
- Differential pay:** Compensates employees for working extra hours or undesirable shifts beyond their contracted hours.
- Biweekly pay:** Received every two weeks, resulting in about 26 paychecks annually.
- Monthly pay period:** Employees are paid once a month, totaling 12 paychecks per year.
- Merit increase:** A salary raise awarded based on employee performance or achievement.
- Broadbanding:** Merges similar job classifications into broader pay bands, reducing the number of pay grades.
- Gainsharing:** Provides employees a share of company profits from performance improvements they contribute to.
- Total target cash:** Includes the full cash compensation an employee can earn by meeting performance goals, including base salary and bonuses.
- Pay mix:** The ratio of fixed to variable pay in an employee's compensation, often used to incentivize performance.

HR METRICS

Recruitment and retention

- Time to Hire:** Measures the number of days from a candidate applying to accepting a job offer.
- Cost per Hire:** Calculates the total cost involved in hiring a new employee.
- Quality of Hire:** Assesses the value a new employee brings to the organization through their job performance, goal contributions, cultural fit, and retention rate.
- First-Year Attrition:** The percentage of new hires leaving within the first year.
- Turnover:** The percentage of employees leaving the company in a given period.
- Time Since Last Promotion:** Tracks the average time in months since the last internal promotion.

Revenue-related

- Revenue per Employee:** Indicates organizational efficiency by dividing total revenue by the number of employees.
- Performance and Potential:** Uses qualitative and quantitative measures, like the 9-box grid, to assess and map employee performance and potential.
- Billable Hours per Employee:** Measures the number of hours employees spend on billable tasks.

Other HR metrics

- Cost of HR per Employee:** Calculates the total HR operations cost divided by the total number of employees.
- HR to Employee Ratio:** Shows the number of HR professionals relative to the total number of employees.
- Ratio of HR Business Partners per Employee:** Similar to HR to employee ratio, focusing on the strategic support provided by HR business partners.
- Effectiveness of HR Software:** Assesses HR software by active users, average time on the platform, session length, and software retention.
- Absenteeism:** Indicates dissatisfaction and potential turnover by calculating the number of absent days divided by total working days.
- Training Expenses per Employee:** Quantifies the average amount spent on employee training.
- Overtime Expenses:** Calculates additional costs incurred from employees working beyond regular hours.
- Engagement Rating:** Measures employee engagement, often expressed as employee net promoter score (eNPS), indicating job satisfaction and productivity.
- Employee Satisfaction:** Evaluates happiness and contentment with job roles and the workplace through surveys and questionnaires.
- Leadership Effectiveness:** Gauges leadership impact on employee performance and morale through 360-degree feedback on various competencies.

BEST HR CERTIFICATIONS

- Academy to Innovate HR (AIHR)
- Professional in Human Resources (PHR) by HRCI
- SHRM Certified Professional and SHRM Senior Certified Professional by SHRM
- Strategic HR Leadership (SHRL) by Human Capital Institute
- Certified Human Resources Professional (CHRP) by HRPA
- Talent Management Practitioner by Talent Management Institute
- Certified Professional in Talent Development (CPTD) by ATD
- Human Resource Information Professional (HRIP) by IHRIM
- Certified HR Manager (CHRM) by HR University