

THE ULTIMATE HR CHEAT SHEET

KEY FUNCTIONS OF HR

01

Human resource planning
Ensures the organization has the right people in the right roles at the right time to achieve its strategic goals.

02

Recruitment and selection
Attracts and chooses the best candidates to meet the organization's needs and improve productivity.

03

Performance management
Maintains productivity and engagement through clear goals, feedback, and continuous development.

04

Learning and development
Equips employees with the necessary skills for future organizational needs and personal growth.

05

Career planning
Aligns employee ambitions with organizational goals to enhance engagement, succession planning, and retention.

06

Function evaluation
Ensures fair compensation and strategic alignment by assessing job roles based on their value and requirements.

07

Rewards
Encompasses compensation, benefits, career opportunities, and work-life balance to attract and retain employees.

08

Industrial relations
Maintains positive interactions with labor unions to manage conflicts and ensure smooth operations.

09

Employee participation and communication
Keep employees informed, engaged, and heard on relevant topics.

10

Health and safety
Creates a safe work environment and integrate safety into the company culture.

11

Total wellbeing
Supports employees' mental, physical, and financial health to enhance performance and engagement.

12

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

• HRM knowledge & expertise

• Recruitment & selection

• Administrative expertise

• Cultural awareness & sensitivity

• Wellbeing evangelism

• Employee experience expertise

• Proactivity

• Communication skills

• Active listening

• Teamwork

• Coaching

• Advising

• Commercial awareness

• Managing priorities

• HR strategy creation & execution

• 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 KPI's

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

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

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