Case Study: Diversity management and professionalising HRM in Deluxe Beds Ltd: How can senior management ensure its employees sleep well? (UK, 2018)

Abstract

Deluxe Beds Ltd (DB) https://deluxebedsltd.com/ is an ethnic minority family-owned, manufacturing company established in Huddersfield, West Yorkshire (UK) in 1995. Operating on a business-to-business (B2B) basis, DB is one of the leading beds and mattresses manufacturers in the UK, employing nearly 100 staff members. This case study illustrates the benefits of diversity management and social inclusion in ensuring an employer reflects diversity in the local community. This is the story of the appointment of a new female managing director, who has benefited from working closely with the local university in a Knowledge Transfer Partnership, to professionalise HR practices. This case highlights the challenges of managing people in a family-owned SME.

Introduction

Within the past few years, the British bed industry has been one of the most prosperous manufacturing sectors (EEF, 2018c). The population increase and rapidly emerging awareness of the importance of sleep quality for health and well-being have grown demand, as customers tend to change beds more frequently. Those factors are reflected in the DB's situation as the company seized the opportunity of expanding the range of their products and increasing the market share of the current ones. Growth brings its own challenges; therefore, DB is, inter alia, willing to move towards a more systematic approach to Human Resource Management (HRM) practices. Development will be supported by securing build-up from top to bottom of the company's biggest asset, which is the right workforce.

Objective

The case study aims to describe and analyse HRM practices adopted by DB, those which are missing, as well as identifying HR challenges that have arisen. Gaining improved understanding and data comparable within SMEs internationally, will allow DB to devise effective solutions to tackle those challenges.

Deluxe Beds Ltd - Overview

According to the official DB website, the company's mission is: "Creating, designing, and dreaming about beds and mattresses for today's lifestyles, ensuring we all have a good night's sleep.'' (Deluxe Beds, 2018). The question to ponder in the case study is how the top management team can ensure their employees have a good night's sleep – as a metaphor of establishing and maintaining a high quality of employment relationships through enhancing well-being and performance standards, along with job satisfaction, engagement, profitability and productivity.

DB is currently going through a process of change, partly triggered by the consequences of growth, but also initiated by the newly-appointed managers, who contribute fresh views and skill-sets, increasing its business acumen. The lack of HR planning to tackle business growth, in terms of ensuring workforce availability and productivity, were evident. In the past, various requirements dictated the business steps, rather than fully developed and devised strategies. In order to stay competitive, seize opportunities and avoid threats, companies need to anticipate upcoming changes, be prepared and pro-active towards them instead of just reacting in an ad hoc manner (CMI, 2013; Kaplan and Norton, 2008; Reeves & Deimler, 2011; Silinevicha & Kalinina 2017). Today's fast-paced business environment, therefore, triggers a shift from a reactive HR business partner role to a more pro-active business leader characteristic, with strategic thinking at its core (Shah, 2011; Mangan, 2017).

The organizational change in DB includes basic, material things such as doubling the number of lorries and increasing the headcount, as well as the intellectual transformation. During the last few years, significant personnel changes were made, and new roles created within DB. Starting at board level, crucial for the company 2013, after the sudden death of the owner, a new Managing Director (MD) was appointed, a first female board member, who inherited the business. She was thrown in at the deep end to manage the company during that sad and critical time in its history.

Bringing a fresh, forward-thinking and open-minded approach, the new MD, instead of sticking to the internal perspective, sought external opinion to help solve the company's issues. Consequently, a Business Development Manager (BDM- KTP Associate) was appointed (Jan 2018) for her ability to bring great business acumen on board, reinforced by strong problem-solving skills and intuition. Furthermore, through the Knowledge Transfer Partnership (KTP) scheme, the company has started to seek support from the Huddersfield Business School, University of Huddersfield's team of academic experts.

By identifying the gaps and filling them with new roles, the BDM is further increasing the headcount. Within the last two years, the Sales Department has been restructured, the Sales Team had been enlarged and a new Sales Director appointed. Major adjustments were made in terms of the Quality and Stock Control area. A whole department has been formed along with creating a Quality Manager position as a result of resolving the uncertainty over product quantity and quality, in the light of an alarming number of product returns and to achieve high performance.

There were a few more important roles created – an Account Assistant, and a new Health & Safety Manager. Some of these roles were long-awaited, which should prompt a review the recruitment strategy, in order to shorten the average time to hire in the future. These new appointments, followed by the initiatives mentioned, appear to have been crucial in triggering significant changes and shaping the current, prosperous state of affairs at DB. Based on the above, it is safe to assume that the company will flourish, due to the exemplary spirit of cooperation and mutual trust between the MD and the BDM, which has enabled much-needed progress and transformation.

HR Challenges and Possible Solutions

The lack of clear reporting structure and task division

Awareness of the importance of HRM is not yet well established across the organization, as its scope was for a long time, limited to payroll, keeping employees' records in compliance with legal requirements etc. There is also no clear reporting structure in DB; HR tasks and functions are scattered among the General Manager, Managing Director, Health & Safety Manager and Business Development Manager. This fragmentation makes it more difficult to capture and acknowledge the importance of HRM. Nonetheless, DB is timidly moving towards aligning HR objectives with general business strategy. Willingness to identify, introduce and apply Key Performance Indicators (KPIs) for HR (see Appendix A) shows a drive in the right direction. Well-tailored KPIs serve as a success indicator as they shape performance, and if interpreted properly, indicate what steps need to be taken.

Skill-shortage and Retention

Although DB has a pool of loyal and long-time employees within its workforce, the company has been encountering the challenge of attracting and retaining new employees. It can be concluded that understanding millennials is one of the challenges faced by manufacturing companies. Job expectations have increased, along with health and safety awareness. Flexibility and work-life balance are important factors in today's fast-paced work environment in terms of streamlining recruitment practices and resolving skill shortages.

Time to hire is relatively prolonged in DB, as it is difficult to find and attract candidates skilled and experienced in operating sewing machines and willing to stay in the low-paid manufacturing sector. It constitutes a great challenge to find and attract the right quality of candidates, equipped with skills which can meet current business demand.

A high level of literacy and numeracy, with training and development capacity able to keep pace with the fast-moving business environment, are requirements that are not easy to satisfy in a low-paid work sector. Due to Brexit, availability of cheap labour is expected to be further reduced (EEF, 2018a) Tracking the Average Time to Hire KPI (see Appendix A) may bring to light other issues related to recruitment which require an attention. Hence, measuring can be beneficial when ensuring that the company is up-to-date with changes in the labor market, so as to not jeopardize recruitment efforts e.g. by directing them at too small a pool of staff (ACAS, 2015).

DB has a probation period six months (which makes little practical difference). The induction process is mostly conducted on an informal basis, with the exception of Health and Safety aspects required by law. The lack of a considered induction process is an obstacle to integrating a new employee into the company. It places a newly hired staff member at risk of not settling and not being able to benefit fully from training (Recruitment and Induction, 2015). Bad hires are costly and time-consuming, therefore, spending more time on recruiting the right candidate is efficient, as opposed to fast hiring and training one who is not a good fit for the company (Savkin, 2013). High labour turnover, especially among newly hired

employees, is alarming, as it can indicate issues with weak HR practices. Those challenges require a solution. The reasons behind recruitment and retention problems can vary and there is no one size fits all solution to them, however, it is important to observe and analyse the tendency in the area. To obtain effective new hires, finding a balance between job enrichment and accurate job ads is required (Griffeth & Horn, 2001).

Engaging and incentivising workers can be achieved by taking the employee voice into consideration when devising a flexible work scheme and work environment with clear expectations and reward practices (Mangan, 2017). There are ways of enhancing engagement and retention of low-paid and a low-skilled workforce, which do not require financial investment as much as a change in leadership. Research of the manufacturing industry conducted in Germany shows that the appreciation and praise that can be offered to workers in return for high performance and commitment is often a missing element in leaders' attitudes (Winkler, Busch, Clasen & Vowinkel, 2015). Change in leadership can make all the difference, influencing job satisfaction, engagement and employee well-being as a result.

Managing diversity

It is debatable to what extent a family owned business can be described as diverse, where 50% of employees are relatives, hence the company's organisational culture is strongly influenced and shaped by one ethnicity. As the rest of the workforce is a mix of several other nationalities, the cultural and lingual representation is not proportional in DB. This can potentially lead to a risk of subjectively perceived by employee's inequality of treatment and expectations (Winkler et al, 2015). DB faces various challenges of managing diversity, especially in the cultural and lingual context, and there is an effort made to embrace it by recognising differences, respecting and even cultivating various values.

Cultural diversity

On the most important occasions such as Eid celebrations or Christmas, there are some initiatives conducted by the company to acknowledge diversity and include cultural celebration forms by organising parties or sharing traditional food. There is also an exceptional initiative carried out annually by the MD - a dinner, where every employee is invited to celebrate Ramadan and feel the spirit of solidarity and the organisational culture.

Lingual diversity

For 70% of the workforce in DB, English is a second language. There are approximately seven languages spoken altogether in the company. Furthermore, low literacy levels in some cases constitutes a severe challenge in terms of effective training, communication, engagement and productivity. Health and safety training is, therefore, conducted using as many visual materials as possible to ensure the most thorough level of understanding among the trainees.

Equality vs. kinship[1] - Family Business

The organisational culture of family-owned DB is strongly influenced by Asian culture, where family ties are extensive and strong. According to Stewart (2003) in the businesses where kinship is an underlying driver, family members tend to serve the company longer, while being more scrupulous, dedicated, loyal and committed than non-relatives. The case of DB, however, reaffirms that statement only to some extent. Strathem (1971) points out that relatives within the workforce are the source of significant social support. This results in the enhanced capability of businesspersons to take short-term risks; thus, the trust credit may pay off in pursuing new initiatives.

The communication channels are broader within relatives and their networks add up, which can be helpful in managing change. Nonetheless, it cannot be ignored that in the example of DB, the aforementioned benefits of having a family-owned company are not that straightforward to determine. A family business (FB) is not automatically a business with the perfect workforce. There are many threats and challenges attached, as Whyte (1996) argues, family agreements can hinder economic performance and create challenges originated from family politics, animosities and competition.

In DB two families coincide, in such business settings it can be a struggle to recognise and claim credit and accept liability. Moreover, distributing key-rewards in a FB is risky as it can more likely initiate the atmosphere of perceived partiality and unfairness. Such a notion can start the cycle of mistrust among employees, regardless whether they are relatives or non-relatives. The results are backbiting for the organisational culture as they can cause the turnover of a non-core kin workforce, which, on the other hand, can fortify core kin employees' notion that outsiders are untrustworthy (Lu, 2001, Whyte 1996).

Enhancing well-being

Although some authors argue there is no evident correlation between focusing on effectively managing diversity and productivity (Thomas and Ely 2001), another study (EEF, 2018b) shows that investing in employee well-being as an holistic composition through improvement of job design, enhancement of employee involvement and employee engagement can boost productivity. When employees in the work environment feel valued as individuals, their job satisfaction increases as their psychological well-being is elevated. Research shows that this often-omitted aspect of well-being is crucial for high efficiency and performance initiatives aimed at achieving higher productivity.

In DB, there is currently noticeable interest in enhancing employee well-being. Even if there are not many formal procedures and policies other than those required by law to facilitate them, steps are taken to support disadvantaged employees, such as those with a disability, e.g. with hearing challenges. Work duties are adapted to meet their needs and use their skills at the same time. There are part-timers in the team, and flexible working hours available, e.g. for those who have dependants and caring responsibilities. A significant emphasis is put on

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[1] kinship to be the network of genealogical relationships and social ties modelled on the relations of genealogical parenthood." Good (1996, p.312)

Health and Safety procedures since the new Health and Safety Manager was hired. Furthermore, as previously mentioned, willingness to define and develop KPIs for well-being is a good sign of improvement (see Appendix A).

Lack of formal procedures and metrics

In SMEs, especially those that are family-owned, a certain level of informality within employment relationships and HR policies is common (Wapshott & Mallett, 2016), as well as the tendency to shift towards formalisation during a time of company growth. To date, DB was characterised by randomness and an ad hoc attitude more than by having a systematic approach.

There have been many informal tools in place to support their employees during times of need. However, the question arises whether this is a fact well-known to everyone, or does the help have a more limited, "need-to-know" character. In other words, it is questionable whether support is available to and known about by every employee consistently or if are there some groups or individuals excluded due to various reasons, e.g. lingual difficulties. Formal procedures would increase the accessibility of the available means to all employees. As previously mentioned, a lack of clear, transparent procedures can potentially be a source of discontent and misunderstandings, especially in a family-owned business.

To replace informalities with formal policies and procedures in DB, having the top management team members enthusiastic and convinced to the idea of change is not enough. The actual implementation will not be a natural and straightforward process as policies are not reflected in practice by default (Wapshott & Mallett, 2016). More likely it will take time to educate the team on the importance of proposed changes, and to train and empower each individual in facilitating those changes. At the same time those are crucial points and not achieving them can undermine the process of change (Duck, 1993; Gill, 2003; Kotter, 1995).

Conclusions and Recommendations

Besides functions such as managing benefits, compensation, facilitating employee grievances and meeting law requirements through devising policies, HR should also revolve around an understanding of the business model, strategy and enhancing employee engagement. Through a focus on staff skills and strengths, instead of just 'patching the gaps' caused by employees' weaknesses, HR can tailor more matching roles (Breitfelder & Wademan Dowling, 2008).

The lack of formal procedures and definitions, in terms of performance appraisal, engagement appraisal schemes, induction, training and development schemes, should be minimised. To develop KPIs (see Appendix 1) as planned, targets need to be set up first and progress towards achieving them tracked. Both performance appraisal and employee engagement measures have to be in place as the first steps, in order to examine the current position and to establish the starting point. According to ACAS (2015), to ensure efficiency and productivity in the light of the company's growth, a labour force plan should be developed. Accurate predicting and adjusting supply with demand is crucial, as skill shortages may occur suddenly and need to be

tackled on an ad hoc basis. A staff skills review enables the identification of deficit areas, therefore, performance appraisal and SWOT analysis can be helpful in conducting HR planning.

In terms of managing diversity in a multicultural environment, there is a need to devise and implement training and development programmes with the focus on language, literacy and numeracy skills. Moreover, diversity training can help in reducing conflict, as well as building cultural sensitivity and appreciation for various cross-cultural values. If HR policies have to facilitate smooth and efficient diversity management, the top-management team need to be on board with the idea. In addition, the organisational culture needs to be responsive to the HR strategy by recognising diversity (Shen, Chanda, D'Netto & Monga, 2009; Wilson, 2000).

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Appendices

Appendix 1. Key Performance Indicators for HR

What is a Key Performance Indicator?

Key Performance Indicator (KPI) is a quantifiable measurement used to analyse organisational performance aligned with a company's strategic goals (CIPD, 2018). In other words, a KPI is a metric that serves as critical success indicator, showing how efficiently a company works towards achieving goals. This paper seeks to present an introductory overview of the topic of KPIs in order to initiate the process of identifying HR KPIs for Deluxe Bed Ltd.

The benefits for implementing KPIs

KPIs make possible the clear communication of strategic objectives to employees and align their day-to-day activities with the high-level goals (Parmenter, 2015). Using KPIs stimulates and directs collective effort towards the ultimate business goals and helps to identify underperforming business areas (Savkin, 2013). An understanding and awareness of the current business position gives the company a competitive advantage and sets it ahead of those who do not use KPIs. Since KPIs can be monitored frequently, they inform the decision-making process at the operational and strategic level (Gleeson, 2018; Tilca, Mare & Apatean, 2018).

Where to start?

Nowadays, companies develop a better understanding of KPIs utility and use this method more eagerly. KPIs which are meant to be winning and efficient, cannot be chosen in an abrupt manner. The process of defining KPIs is crucial and needs to be conducted carefully as there is no point in tracking irrelevant KPIs. (Gleeson, 2018; "12 Examples of KPIs for HR Teams - Cascade Strategy", 2018).

In order to define SMART KPIs: Specific, Measurable, Achievable, Relevant, and Time-phased, the following steps need to be taken (Shahin, Mahbod, 2007):

Specify the business objective. Tailor KPI to the specific company needs:

Question for each core team member: What is the company's long-term goal and which periodical steps will be most crucial to reach them? After answering the question, a collective SWOT Analysis should be conducted.

Prepare an action plan to achieve the objective

After establishing the business objective, it is important to specify:

- How do we know when we have got there?

- What are the success factors?

- What results do we want to achieve?

- What period and unit(s) will be representative of what we are measuring?

Measurements and data collection

When the objectives are specified, the current situation need to be examined and well understood. The aim of this stage is to establish the starting point in order to set up targets and track progress towards achieving them. That stage includes data collection, e.g. through introducing and conducting performance appraisal and an employee engagement survey.

Define KPIs aligning them with the business objective

The main focus needs to be chosen. After identifying the KPIs, the activities which will best drive the business towards them need to be determined.

Communicate and explain the importance of KPIs to the team.

Kaplan and Norton (2007) argued that effective communication of a company's strategic objectives, mission and vision is crucial success factor. Transparent, understandable and achievable targets introduced to the team in the context of business strategy can serve as a deal-breaker in terms of successful implementation. In terms of KPIs, employees should be provided with clarity and explanation of what is expected of them (Spitzer, 2007). Question to be answered: What does the company want from its employees - what critical actions are required in order to achieve the goal?

HRM KPI Examples

Absenteeism

In view of the company's growth, observing the overall trend of absenteeism is important. High rates of absenteeism can indicate serious organisational culture problems. The absenteeism rate is tightly linked to well-being. This KPI help predicts future numbers of sick leave, delays, authorised and unauthorised absence. The cost of absenteeism can be calculated based on the average value of the hours worked. Measuring employee engagement and reacting to its findings may be an indicator of the future absenteeism rate (Gleeson, 2018; Tilca et al, 2018).

Employee engagement index

The employee engagement index is an important well-being KPI in terms of observing and controlling job satisfaction and motivation, which can affect absenteeism, turnover rate and performance. There is a need to distinguish satisfaction and motivation aspects in employee engagement appraisal. Answers related to those two aspects should be tackled separately in order to incorporate engagement into increased performance and commitment (Lawler III, 2012). When interpreting the results of the employee engagement survey, it is crucial to:

1. Ask about and observe the choices employees make, e.g. when deciding a reward form (pay rise, promotion, day off) to recognise and acknowledge the differences between individuals and things they value. Understanding those differences helps to motivate employees more effectively. Moreover, maintaining an individual approach to employees helps to incorporate their differences into a source of competitive advantage and make them feel valued (Thomas, Ely, 1996).

2. Understand the expectations of the workforce and individuals' views on what consequences certain behaviours can trigger. Organisational needs should be aligned with behaviours, leading to the rewards expected by employees. Setting specific goals for the workforce can positively affect employees' motivation if they perceive the goal as achievable and worth the effort.

3. Acknowledge the fact that satisfaction does not translate to motivation and high performance in a straightforward manner (McLeod & Clarke, 2009). A happy and satisfied employee does not automatically have to be highly motivated and a high performing one. Job satisfaction can serve as a predictor of the absenteeism and turnover rate, but it is not directly linked to performance (Lawler III, 2012).

Time to achieve goals

Set objectives for employees and measure the efficiency of the workforce in meeting them.

Accidents at work

Measure accidents at work to avoid future issues. This metric is also related to well-being and Health & Safety

Retention / Turnover of high performers

This indicates the job quality in the company and can be a signal of a bad organisational culture. However, simply measuring turnover and retention is also irrelevant according to critics (Savkin, 2013), as a company should be willing to retain only high-performing talent and be able to quickly identify the need for a replacement, increasing or decreasing the headcount instead of just trying to keep the turnover rate as low as it possible at all costs, without acknowledging the difference between high and low performers.

Revenue per employee

A simple efficiency measure, which does not recognise the individual value of each employee separately. The performance differences noticed through regular appraisal should shed additional light on the case.

Diversity of workforce

Measuring diversity in terms of Gender, Nationality, Religion, Age, Culture and Language if, for example, an objective is to make the workforce gender ratio more equal.

Recruitment / Average Time to Hire

Many underlying drivers can be included within this KPI area, from reputation and skills shortage to organisational culture problems. Although unmanageable directly, it can be monitored in order to minimise the productivity loss, as well as opportunity cost. It measures the time between leaving/ employee's notice and the choice of another candidate as a replacement. The goal is to optimise the time of each new hiring.

Nonetheless, the traditional approach towards defining KPIs clashes sometimes with the more critical one. Supporters of the latter argue that the average time to hire should not be only measured as bare numbers, but rather put into a broader business context, considering the quality of a new hire (Savkin, 2013). Bad hires and low employee retention are too costly and time-consuming. Therefore, spending more time recruiting the right new employee is usually more efficient than hiring and training one who is not a good fit for the company.

3-months Failure Rate

This measures how many employees failed during a 3-month probation period/ performance score of a new employee. It may indicate shortcomings of the recruitment strategy, as well as training flaws, low job satisfaction and motivation. Tracking this KPI can prevent bad hire costs and efficiency loss in the future ("12 Examples of KPIs for HR Teams - Cascade Strategy", 2018).

What does Deluxe Beds Ltd aim for?

Deluxe Beds Ltd is willing to start with well-being KPIs. There are various ways of measuring well-being through hard data, e.g. using the methods mentioned in this paper: sick leave rates, turnover rates, the amount of overtime, insurance data (Clarke, 2018; Florentine, 2017). On the other hand, there is sentiment analysis, measuring the number of employees who currently have access to preventative and primary care physicians, which is a relatively valuable piece of information.

Another way is tracking employees' lifestyles and wellness-activity patterns, observing whether they take part in those often, as well as encouraging and initiating self-reporting well-being metrics. They may revolve around employees' emotional and financial stability, whether they have a sense of purpose in their private lives and at work, as well as stress level, blood glucose and other biometric data gathered on a voluntary basis (Albrecht, 2017). Those data

need to be gathered and stored in compliance with the General Data Protection Regulation (GDPR).

Conclusions & Recommendations

The Key Performance Indicators presented here are only examples, the proper ones need to be precisely tailored to accurately fit the company's strategic objectives. Implementation of the steps described in this paper is necessary. Balanced Score Card as a first step appears to be an idea worth researching and considering in the course of specifying business objectives and prior to defining KPIs (Gabčanová, 2012). Devising a strategic map for HR allows the whole team to be on-board with the objectives and has a further potential of applying this technique to the other essential departments.

As can be seen in the exemplary KPIs sheet (see Appendix 2), there are some elements that need to be specified in order to track progress and improvement. To identify KPIs for HR with a focus on well-being, the performance appraisal should be conducted. Even though every appraisal method has its shortcomings, the proposed Appraisal Form (see Appendix 1) has been devised by Mahesh & Lee (2014) for the manufacturing sector specifically, as a result of mixing a few appraisal methods. The purpose was to minimise the drawbacks of each approach respectively, while maintaining and maximising their advantages.

Furthermore, with regard to the well-being focus, it is necessary to introduce an employee engagement survey. There are various methods of measuring engagement, some of them SMEs can conduct internally without incurring the cost of outsourcing the tasks of data gathering and results interpretation. The most famous employee Engagement Survey is Gallup Q12 (Understanding your GallupTM Q12 Results A Guide for Sponsors, Managers and Consultants, 2014) however, an alternative set of questions based on Gallup's survey can be found in Apprendix 3.

As the company faces the challenge of a workforce with a low-literacy level and language barrier, additional solutions will be required in order to make employee engagement survey accessible and understandable to every staff member.

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Appendix 2. Proposed Appraisal Form

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APPRAISAL FORM

Date   _____   Supervisor   _____

Name   _____   Department   _____

Checklist   Scale

1. Can be expected to finish work in time   1___2___3___4___5

2. Seldom agrees to work overtime   1___2___3___4___5

3. Is cooperative and helpful   1___2___3___4___5

4. Strives for self-improvement   1___2___3___4___5

5. Accepts criticism   1___2___3___4___5

Goals to be achieved   Scale

1. Number of products   1___2___3___4___5

2. Number of hours   1___2___3___4___5

Critical Incidents

1. Highly favorable action

2. Highly unfavorable action

Appendix 3. The KPIs sheet example with an explanation

	Key Result Areas are the main goals that HR department need to accomplish.	KPIs are quantifiable measurement used to analyse performance aligned with strategic company goals. Every Key Result Areas need at least one KPI. Total number of KPIs should not exceed 10 item.	Each KPI should have defined weight determined by the priority order. Total eight = 100.	Targets are defined with considering data from the past and futue expectations. They can be expressed as percentage, number or score.	Target achievements. It required reporting sistem to capture	Formur to calculate: Atual / Target x 100 (the higher the better) or Target / Acctual x 100 (the lower the better)	Source: (Shah, 2016) Formula: Score x Weight/ 100

No.	Key Result Areas	Key Performance Indicators - Description	Weight of KPI	Target	Actual	Score	Final Score	Formula Explanation
	Recruitment	Average time to hire new employee		60 clendars days				
	Productivity Performance	3-6 months Failue Rate		Measure how many employees failed before the 3 months mark. Bad hires impact the overall efficiency.				
	Loyalty / Reward: Retention/ Turnover/ Productivity	Turnover % - employees that left organization in a given time period		2%				The number of workers who joined the company in a specific period/those who stayed during the same period. Retention Rate (%) = (Total Employees Still Employed at End of Period / Total Employees at Start of Period) x 100
	Performance	Revenue per Employee		Simply measured to be able to avoid it in future				Revenue per Employee: Total revenue/ total employees number or Labor Productivity: total output / total input.
	Performance / Wellbeing	Accidents at work						
	Performance	Education Training Hours per employee	Requires introducing at least simple appraisal form					
	Performance	Average time to achieve goals						
	Loyalty /Wellbeing	Employee Engagement index %	Requires introducing engagement measurement					
	Absenteeism	Lost work days due to absence						(total lost work days due to absence)/ number of work days available
	Managing Diversity	Gender ratio/ Ethnicity ratio						Female %: Male %, Average number of nationalities of workforce (in measurement period, e.g. 1 year) % of Ethnic Minorities: Total number of ethnic minorities/ Total number of ethnicities x 100
	Managing Diversity	Average number of languages spoken per employee						Total number of languages spoken / Total number of employees

Version to download available here:
https://drive.google.com/file/d/1ObCF4WxKu4syXPEtQRO-wjbdE9yvbZI3/view
Source: (Shah, 2016)

Appendix 4. Employee Engagement Survey – Alternative Questions

1. My performance is measured against outcomes and metrics that are clearly explained.
2. I have access to everything that I need in order to perform well at my job.
3. My strengths are recognised here, and I put them into practice every day in my job
4. I regularly receive meaningful recognition for doing my job well.
5. How happy are you with the relationship between you and your manager?
6. My manager supports me to get even better at the skills I'm valued for here.
7. My opinions are heard and considered here.
8. The purpose or mission of the organisation is clearly defined, and fulfilment of my job counts towards achieving it.
9. My co-workers are accountable for doing quality work.
10. At work, I consider at least one of my co-workers to be a true friend.
11. My personal progress and development are important around here.
12. In my role, there are ongoing opportunities to learn and grow.

Source: (Ryder, 2016)

Suggested answer format: five-point scales (e.g. Likert Scale):

- Strongly Agree – Agree – Undecided / Neutral - Disagree - Strongly Disagree

- Always – Often – Sometimes – Seldom – Never

- Extremely – Very - Moderately – Slightly - Not at all

- Excellent - Above Average – Average - Below Average - Very Poor

Answer scores and interpretation methods explanation available here:

https://www.extension.iastate.edu/Documents/ANR/LikertScaleExamplesforSurveys.pdf
(Understanding your GallupTM Q12 Results A Guide for Sponsors, Managers and Consultants, 2014)

http://sa.berkeley.edu/sites/default/files/Gallup%20L%26D%207-16-2014%20.pdf