
Human resource management — Leadership metrics cluster

*Management des ressources humaines — Indicateurs de mesure du
leadership*

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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.

ISO 30414:2018, 4.7.5, describes leadership in organizations.

The following metrics grouping or cluster is included in this document:

- a) leadership trust;
- b) span of control;
- c) leadership development.

Leadership development is expressed as one or both of the following:

- percentage of leaders who have participated in leadership development programmes within a defined period;
- percentage of leaders who have participated in training.

This document describes the following components for each of the above metrics:

- description;
- purpose;
- formula;
- how to use;
- intended user(s);
- contextual factors;
- predictive factors.

The quality and sustainability of leadership has a strong impact on the results of an organization. It depends, for instance, on identifying and developing the most appropriate leaders, for example segmented by executive leaders and managers. Metrics within this area make statements about the process of identifying and developing leaders.

As leadership impacts the workforce, organizations can consider establishing and implementing strategies for consultation and participation of all workers, and their representatives as appropriate, ensuring an open and regular dialogue.

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Human resource management — Leadership metrics cluster

1 Scope

This document describes the elements of the leadership metrics cluster. 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 the leadership data, especially when deciding on the appropriate intervention internally and when reporting these to external stakeholders (e.g. regulators, investors).

2 Normative references

The following documents are referred to in the text in such a way that some or all of their content constitutes requirements of this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

ISO 30400, *Human resource management — Vocabulary*

ISO 30414:2018, *Human resource management — Guidelines for internal and external human capital reporting*

3 Terms and definitions

For the purposes of this document, the terms and definitions given in ISO 30400 and ISO 30414 apply.

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 Leadership trust

4.1 General

ISO 30414:2018, 4.7.5.1, describes leadership trust.

4.2 Purpose

To gauge the trust employees have in their managers and leaders.

4.3 Formula

Leadership trust survey options can include surveys, ratings and scales, such as:

- employee engagement survey subset of questions regarding management or leadership effectiveness as an aggregate score ranging from 0 % to 100 %;
- Crawford, LePine and Rich^[1] employee engagement rating classification scale;
- Likert scale from 1 to 5 converted to a percentile with each question related to leadership, management or both aggregated and averaged for an overall leadership engagement feedback score.

See [Table 1](#) for a calculated example.

4.4 Contextual factors

Many factors can have a significant impact on the measurement outcome. There can be instances when results are less than expected or indicate a deteriorating situation; further investigation can find positive indicators of improvement.

When considering the context supporting the metric results, consider:

- FTE count at each measurement point, i.e. has the FTE grown or shrunk significantly enough to change the perspective and meaning of the metric results?
- current activities the organization is undertaking
 - increased production or product expansion;
 - reorganizations;
 - current activities in educating the workforce.
- cultural shifts, both positive and negative;
- generational perspectives;
- social change or awareness leading to increases in publicity or reporting;
- industry expectation;
- economic factors
 - downturns;
 - upturns.

4.5 Predictive factors

When forecasting potential improvements or deterioration in the current situation, organizations can look to the future known and anticipated events and consider:

- planned organization structural or workforce changes;
- upcoming work, function or product changes;
- acquisitions;
- economic factors
 - downturns;
 - upturns.
- workforce awareness and education;
- political, social, environmental and legislative dynamics;
- industry sector impacts.

4.6 Example

Table 1 — Reporting leadership trust based on employee surveys

	2017	2016	2015	Example statement
Fairness	73	69	65	My manager treats me equally, without favouritism or discrimination.
Integrity	75	76	73	My manager has principles and is honest and truthful.
Consistency	81	79	77	My manager acts and behaves in the same way when responding to similar circumstances and situations over time.
Total leadership trust index (scale between 0 and 100)	76	75	72	

5 Span of control

5.1 General

Span of control expresses the number of employees and other workers reporting to one supervisor or manager and can be calculated using two distinct methods, as shown in 5.3.

5.2 Purpose

The purpose of this metric is to measure the ratio of supervisory and managerial staff to employees and contingent workers (workforce). Normally a higher ratio of workforce to managers represents a leaner organizational structure, possibly with fewer layers of management. However, increasingly large span of control ratios can also be indicative of overly stretched managers and has been associated with a decrease in employee communication and career development, an increase in employee turnover and lower overall employee engagement.

5.3 Formulae

5.3.1 Overall average method

The overall span of control is the ratio of total workforce population, including all management and non-management workers, to total management population, including managers with no direct reports, see [Formula \(1\)](#).

$$\text{Overall span of control} = \frac{\text{total workforce population}}{\text{total management population}} \quad (1)$$

This method includes all supervisor and manager levels and titles, regardless of supervisory responsibilities, and can in certain situations provide a misleading ratio of amount of workload and responsibility carried by managers of all levels who supervise workers versus those managers who do not supervise workers. For example, it is increasingly common for employees to have manager or supervisor titles and pay with responsibility for managing projects, budgets, systems or customer relationships and yet have no direct employees or contingent workers reporting directly to or supervised by them.

It is recommended that this metric be measured and reported by functional group as well as highest and lowest spans of control across the organization.

For example, how many managers have only one direct report versus how many managers have more than 10 direct reports, as well as how many managers have more than 30 direct reports.

See [Table 2](#) for a calculated example.

5.3.2 Specific method

The management span of control is the ratio of total workforce population, including all management and non-management workers, to total management population with direct reports, i.e. only those managers who have supervisory responsibility for employees, contingent workers or both, see [Formula \(2\)](#).

$$\text{Management span of control} = \frac{\text{total workforce population}}{\text{total management with direct reports}} \quad (2)$$

It is recommended that this metric be measured and reported by functional group as well as highest and lowest spans of control across the organization.

For example, how many managers have only one direct report versus how many managers have more than 10 direct reports, as well as how many managers have more than 30 direct reports.

See [Table 3](#) for a calculated example.

5.4 Contextual factors

Many organizations use management span of control as a lagging, indirect indicator of effective workforce cost management within an organization.

Many factors can have a significant impact on the measurement outcome. There can be instances when results are less than expected or indicate a deteriorating situation; further investigation can find positive indicators of improvement.

When considering the context supporting the metric results, consider:

- FTE count at each measurement point, i.e. has the FTE grown or shrunk significantly enough to change the perspective and meaning of the metric results?
- current activities the organization is undertaking
 - increased production or product expansion;
 - reorganizations;
 - current activities in educating the workforce.
- cultural shifts, both positive and negative;
- generational perspectives;
- social change or awareness leading to increases in reporting;
- industry expectation;
- economic factors
 - downturns;
 - upturns.

5.5 Predictive factors

Span of control can be more insightful when segmented by level or organizational layer. It is important to note that there can be significant variation between individual managers and supervisors by industry, organization size, organization layer, functional group, job type, type of work, level of automation and other factors. When measurement dimensions such as function, critical job groups, performance category and tenure category are added, management span of control can be used to identify opportunities for increased productivity and retention.

When forecasting potential improvements or deterioration in the current situation, organizations can look to future known and anticipated events and consider:

- planned organization structural or workforce changes;
- upcoming work, function or product changes;
- acquisitions;
- economic factors
 - downturns;
 - upturns.
- workforce awareness and education;
- political, social, environmental and legislative dynamics;
- industry sector impacts.

5.6 Example

XYZ organization has >9 000 full-time employees at the end of their calendar year, plus 900 temporary workers and 100 independent contractors working full-time for the organization. XYZ has 1 000 managerial staff at various levels from supervisor to manager, director, vice president and managing director. However, only 800 of the managerial and leadership staff in fact have supervisory responsibility for workers and employees; the other 200 managers manage projects, systems, assets and programmes but have no directly reporting staff to manage.

Table 2 — Reporting overall span of control

	Workforce breakdown	Summarized result
Total workforce population	9 000 + 900 + 100	10 000
Total management population	1 000	1 000
Overall span of control result		Span of control of 10, or 10 workers per manager

Table 3 — Reporting management span of control

	Workforce breakdown	Summarized result
Total workforce population	9 000 + 900 + 100	10 000
Total number of managers with direct reports ^a	800	800
Overall span of control result		Span of control of 12,5 or 12,5 workers per manager

^a Total number of managers with direct reports includes only those managers who have direct supervisory responsibility for employees, contingent workers or both.

6 Leadership development

6.1 General

Leadership development is a lagging indicator of the intent of an organization to develop leaders internally. There are two measures proposed:

- percentage of leaders who have participated in leadership development programmes within a defined period (see [Table 4](#) for a calculated example);

- percentage of leaders who have participated in training in a defined period (see [Table 5](#) for a calculated example).

6.2 Purpose

This metric highlights the overall leadership development activity undertaken by an organization. The application of this metric is enhanced further when the leadership group is segmented by categories such as leadership level, location, department and years of service.

6.3 Formula

See [6.6](#) for an example calculation.

6.4 Contextual factors

Many factors can have a significant impact on the measurement outcome. There can be instances when results are less than expected or indicate a deteriorating situation; further investigation can find positive indicators of improvement.

When considering the context supporting the metric results, consider:

- FTE count at each measurement point, i.e. has the FTE grown or shrunk significantly enough to change the perspective and meaning of the metric results?
- current activities the organization is undertaking
 - increased production or product expansion;
 - reorganizations;
 - current activities in educating the workforce.
- cultural shifts, both positive and negative;
- generational perspectives;
- social change or awareness leading to increases in reporting;
- industry expectation;
- economic factors
 - downturns;
 - upturns.

6.5 Predictive factors

When forecasting potential improvements or deterioration in the current situation, organizations can look to the future known and anticipated events and consider:

- planned organization structural or workforce changes;
- upcoming work, function or product changes;
- acquisitions;
- economic factors
 - downturns;