

A wide-angle photograph of a salt flat under a clear blue sky with scattered white clouds. Several SUVs are parked in a line on the flat, which is perfectly reflective, mirroring the vehicles and the sky. In the background, there are low, hazy mountains. The overall scene is bright and serene.

*Temporary
co-driver*

DIN ISO 30414 Human Capital Reporting
Guidelines for internal and external human capital reporting

Content

- I. Overview of DIN ISO 30414 Human Capital Reporting
- II. Core content of DIN ISO 30414 Human Capital Reporting
- III. Use and implications of the guideline for organizations
- IV. Current status and upcoming steps



*I. Overview of DIN ISO 30414
Human Capital Reporting*



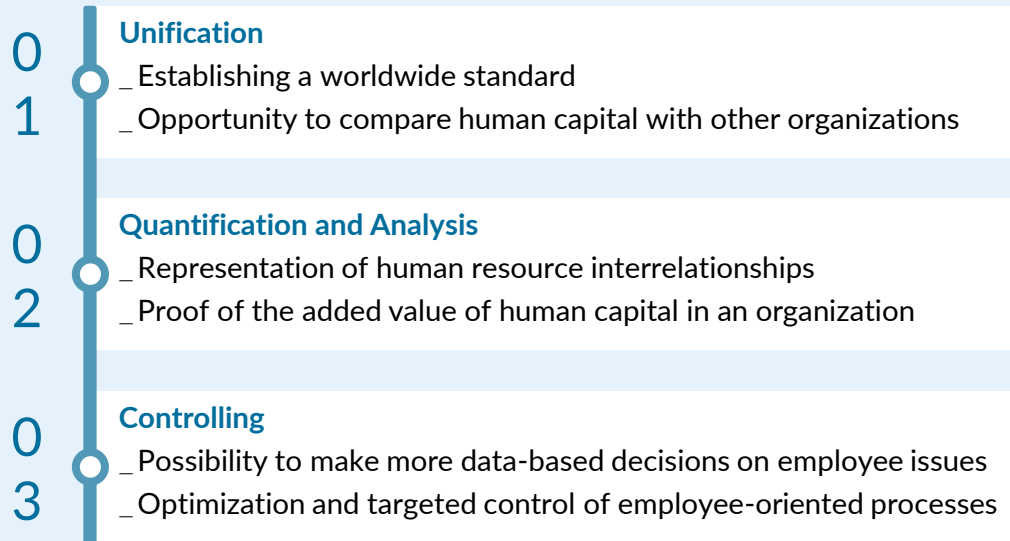
Overview of DIN ISO 30414 Human Capital Reporting (1/2)

The importance of human capital for organizations is growing due to a changing economic world

Baseline

- _ Share of intangible assets in the market value of the S&P 500¹ index has risen from 17% to 84% since 1975²
- _ Employees are an essential source of intangible assets and are therefore often referred to by companies as the "most important capital"
- _ Statistical insights into the relationships between human capital and economic results to increase the value of companies
- _ Until now, there was no uniform standard for the measurement and evaluation of employee-related key metrics

Solution Approach of Human Capital Reporting



1) Stock index comprising the shares of 500 of the largest US listed companies. 2) Time period: 1975 – 2015, Source: Ocean TOMO LLC

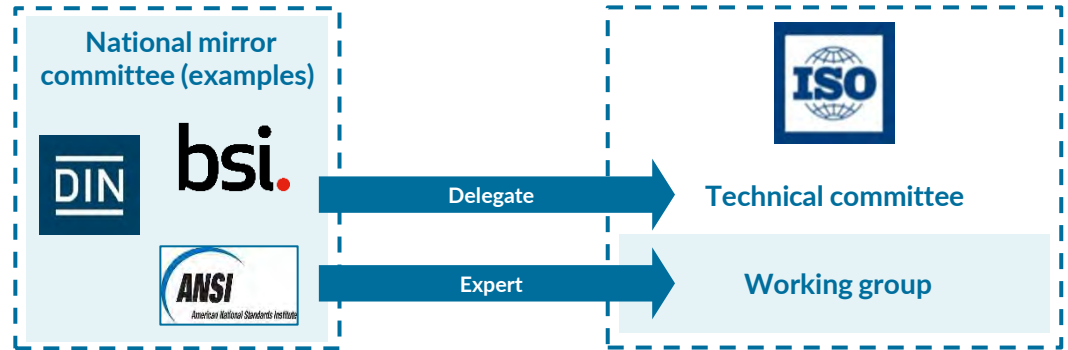
Overview of DIN ISO 30414 Human Capital Reporting (2/2)

The ISO project “Human Capital Reporting” is under German management and was initiated in 2015

History

2010	<ul style="list-style-type: none">_ The American National Standards Institute (ANSI) attempts to develop a human capital reporting standard for the US
2011	<ul style="list-style-type: none">_ ISO establishes the Technical Committee (TC) 260 Human resource management_ Development of voluntary guidelines for various human resource management topics
2015	<ul style="list-style-type: none">_ Initiation of the project “Human Capital Reporting ISO 30414” via DIN_ The corresponding internal working group is headed by representatives from Germany

Cooperation in International Standardization Bodies



German Institute for Standardization



British Standards Institution



American National Standards Institute



International Organization for Standardization

*II. Core content of DIN ISO 30414
Human Capital Reporting*



Core content of DIN ISO 30414 Human Capital Reporting (1/3)

The guideline is an “educational guideline” which has been developed under consideration of international best practices and takes into account organizational specifics



Educational Guideline

- _ The guideline is a voluntary guideline
- _ Applicable national law must be respected and has priority in its application



Standards and Best Practices

- _ The guideline was developed taking into account existing standards and best practices
- _ Existing reporting obligations/standards must continue to be complied with or can be used in parallel



Organizational Specifics

- _ The guideline follows the principle of materiality and is applicable to organizations of all types and sizes: it enables a step-by-step introduction of reporting and contains specific notes for different types of organisations, including practical tips and implementation examples. Particularly, the guideline requires fewer indicators for SMEs than for large enterprises.
- _ DIN ISO 30414 is based on the international ISO 30414 version created by the International Organization for Standardization

Core content OF DIN ISO 30414 Human Capital Reporting (2/3)

Application of the guideline provides external and internal stakeholders with information on various areas of human capital on an annual basis

Recipient

- _ Internal Stakeholder: Workforce and their representatives, corporate governance bodies
- _ External Stakeholder: Investors (equity and debt capital), the community and potential applicants



Content

- _ Splitting of the guideline into eleven different human capital areas with a total of 58 key metrics
- _ Scope of recommended reporting depends on the size of the organization and the target group



Reporting Cycle

- _ Reporting should take place once a year, both externally and internally, as part of the annual reporting activities



“Risk Management”

- _ Presentation of the main human capital opportunities and risks per area which could otherwise be neglected in traditional staff reporting



Core content of DIN ISO 30414 Human Capital Reporting (3/3)

The core content of the standard comprises 58 human resource related key metrics, which are divided into eleven different areas

Human Capital Area	Scope and Content	Human Capital Area	Scope and Content
Compliance and ethics	_ 5 metrics, i.a. information on grievance filed and disputes referred to external parties	Productivity	_ 2 metrics, i.a. information on revenue per employee and human capital RoI
Costs	_ 7 metrics, i.a. information on workforce and hire costs	Recruitment, mobility and turnover	_ 15 metrics, i.a. information on number of candidates, turnover rate and time to fill vacant positions
Diversity	_ 5 metrics, i.a. information on age and gender of workforce	Skills and capabilities	_ 5 metrics, i.a. information on total developing and training costs and number of training hours
Leadership	_ 3 metrics, i.a. information on span of control and leadership trust	Succession planning	_ 5 metrics, i.a. information on succession readiness rate
Organizational culture	_ 2 metrics, i.a. information on retention rate and engagement	Workforce availability	_ 5 metrics, i.a. information on absenteeism, number of employees and full-time equivalents
Organizational health, safety and well-being	_ 4 metrics, i.a. information on lost time for injury and number of occupational accidents		



- 58 human capital related key metrics
- Differentiation according to internal/external reporting and organizational size
- Transparency on the human capital management of organizations

*III. Use and implications
of the guideline for organizations*



Use and implications of the guideline for organizations (1/2)

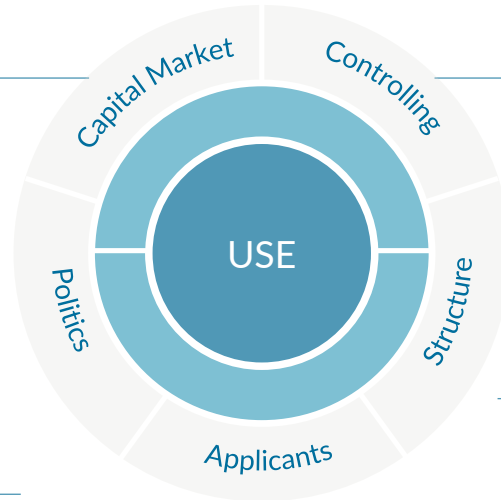
Use: Transparency on “Human Capital Management” of organizations for internal and external stakeholders

Investors and Capital Market

- _ Insights into processes and structures, in particular personnel deployment, enable a more realistic evaluation of a company
- _ Intangible assets, in particular employee-related potential, are made more transparent and thus more valuable through human capital reporting
- _ Better predictability of the future viability of companies

Politics

- _ Creating transparency on labour market policy effects and correlations (in the human capital context)
- _ Highlighting the attractiveness of a business location for investors and talents



Potential Applicants

- _ Insights into how to deal with employees and the possibility of assessing career opportunities
- _ Comparability of employers

Control Units of an Organization

- _ Review of competitiveness of personnel work, identification of strengths and weaknesses, as well as measurement of strategy fit
- _ Sustainable design of personnel deployment and data-based decision-making in HR

Change in the Organizational Structure

- _ Assessment of development potentials of the workforce and the associated costs and investments
- _ Synergy review between organizations, e.g. in the context of a merger
- _ Identification of human resource based opportunities and risks for an organization

Use and implications of the guideline for organizations (2/2)

Implications: The target-oriented use of the guideline places demands on organizations with regard to the dimensions context, procedures and IT

Context


- _ Target setting (organization-specific)
- _ Classification in the strategic context of the organization
- _ Selection, development and definition of key actors and key metrics
- _ Definition of data requirements
- _ Determination of the reporting format

Procedures and methods

- _ Design of processes for the collection, consolidation and quality control of key metrics
- _ Development of methods for key metrics analysis, result interpretation and derivation of options for action
- _ Determining the way in which findings are communicated

IT

- _ A system that enables interfaces to the data-supplying sources
- _ Systems for storing and processing human capital master data, calculating wages and salaries, as well as maintaining and managing organizational data
- _ Systems for the management and execution of HR processes

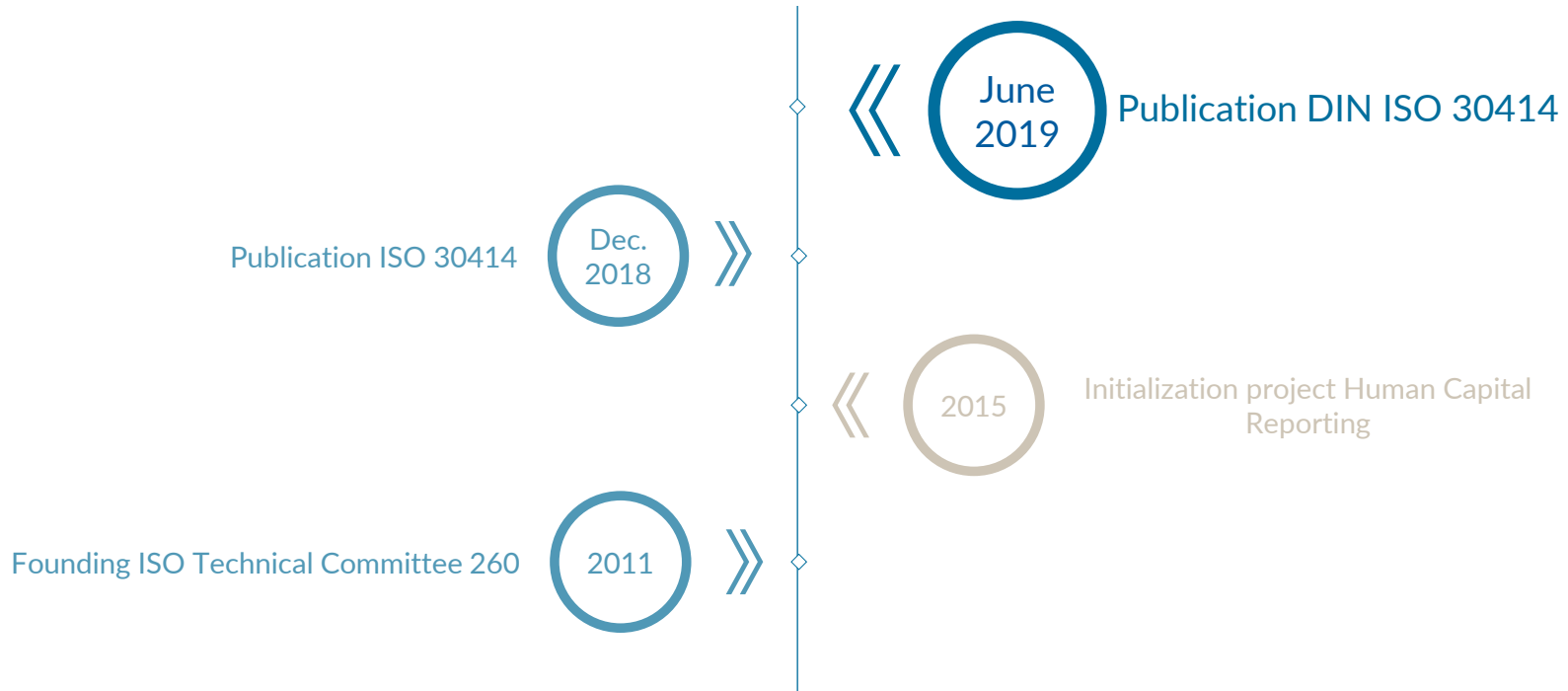
 Human capital reporting includes contextual, procedural and technical dimensions, whose active and target-oriented control is an essential prerequisite for the successful implementation and use of the guideline.

IV. Current status and upcoming steps



Current status and upcoming steps

Publication of the national guideline “DIN ISO 30414” in June 2019



The DIN-working group of the ISO 30414

Overview of the German experts in the international working group



Dr. Stefanie Becker

- _ Convenor of the working group “Human Capital Reporting”
- _ HR Project Director SAP, People Insights

Nicolai Dyroff

- _ Lawyer and in-house lawyer
- _ Goinger Kreis e.V.
- _ SVP Human Resources SAP

Hilger Pothmann

- _ Member of the Executive Board and Head of Human Resources Region East Deutsche Bank AG

Dr. Heiko Mauterer

- _ Senior Partner 4C GROUP AG

Oliver Kothrade

- _ Director Human Resources, Panasonic Appliances Company Europe, Panasonic Business Support Europe GmbH

Harald Ackerschott

- _ Chairman of the DIN Standards Committee Human Resources Management

For inquiries regarding the DIN please contact: heiko.mauterer@4cgroup.com

Office Munich

Elsenheimerstrasse 55a
80687 Munich

Office Frankfurt

Senckenberganlage 19
60325 Frankfurt

Office Berlin

Franzoesische Strasse 8
10117 Berlin

Office Dusseldorf

Sky Office, Kennedydamm 24
40476 Dusseldorf

Driving Transformation

