



BSI Standards Publication

**Human resource management —  
Costs metrics cluster**

---

## National foreword

This Published Document is the UK implementation of ISO/TS 30427:2021.

The UK participation in its preparation was entrusted to Technical Committee HCS/1/2, International Human Resource Management.

A list of organizations represented on this committee can be obtained on request to its committee manager.

### Contractual and legal considerations

This publication has been prepared in good faith, however no representation, warranty, assurance or undertaking (express or implied) is or will be made, and no responsibility or liability is or will be accepted by BSI in relation to the adequacy, accuracy, completeness or reasonableness of this publication. All and any such responsibility and liability is expressly disclaimed to the full extent permitted by the law.

This publication is provided as is, and is to be used at the recipient's own risk.

The recipient is advised to consider seeking professional guidance with respect to its use of this publication.

This publication is not intended to constitute a contract. Users are responsible for its correct application.

© The British Standards Institution 2021  
Published by BSI Standards Limited 2021

ISBN 978 0 539 126 3 9

ICS 03.100.70

**Compliance with a British Standard cannot confer immunity from legal obligations.**

This Published Document was published under the authority of the Standards Policy and Strategy Committee on 31 March 2021.

### Amendments/corrigenda issued since publication

Date	Text affected
------	---------------

---

TECHNICAL  
SPECIFICATION

**ISO/TS**  
**30427**

First edition  
2021-03-23

---

---

**Human resource management — Costs  
metrics cluster**

*Management des ressources humaines — Indicateurs de  
mesure des coûts*



Reference number  
ISO/TS 30427:2021(E)



**COPYRIGHT PROTECTED DOCUMENT**

© ISO 2021. Published in Switzerland

All rights reserved. Unless otherwise specified, no part of this publication may be reproduced or utilized otherwise in any form or by any means, electronic or mechanical, including photocopying, or posting on the internet or an intranet, without prior written permission. Permission can be requested from either ISO at the address below or ISO's member body in the country of the requester.

ISO copyright office  
Ch. de Blandonnet 8 • CP 401  
CH-1214 Vernier, Geneva, Switzerland  
Tel. +41 22 749 01 11  
Fax +41 22 749 09 47  
copyright@iso.org  
www.iso.org

# Contents

Page

<b>Foreword</b> .....	<b>iv</b>
<b>Introduction</b> .....	<b>v</b>
<b>1 Scope</b> .....	<b>1</b>
<b>2 Normative references</b> .....	<b>1</b>
<b>3 Terms and definitions</b> .....	<b>1</b>
<b>4 Total workforce costs</b> .....	<b>1</b>
4.1 General.....	1
4.2 Purpose.....	2
4.3 Formula.....	2
4.4 How to use.....	2
4.5 Intended users.....	2
4.6 Contextual factors.....	3
4.7 Predictive factors.....	3
<b>5 Total external workforce costs</b> .....	<b>4</b>
5.1 General.....	4
5.2 Purpose.....	4
5.3 Formula.....	4
5.4 How to use.....	5
5.5 Intended users.....	5
5.6 Contextual factors.....	5
5.7 Predictive factors.....	6
<b>6 Ratio of basic salary and remuneration</b> .....	<b>6</b>
6.1 General.....	6
6.2 Purpose.....	6
6.3 Formula.....	6
6.4 How to use.....	7
6.4.1 General.....	7
6.4.2 Alternative method for consideration.....	7
6.4.3 Alternate formula.....	7
6.5 Contextual factors.....	7
6.6 Predictive factors.....	8
<b>7 Total costs of employment</b> .....	<b>8</b>
7.1 General.....	8
7.2 Purpose.....	8
7.3 Formula.....	8
7.4 How to use.....	8
7.5 Contextual factors.....	8
7.6 Predictive factors.....	9
<b>Bibliography</b> .....	<b>10</b>

## 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](http://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](http://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](http://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](http://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.

This document deals specifically with the cluster of metrics in the costs cluster. ISO 30414:2018, 4.7.3, describes workforce costs and the importance of measuring workforce costs.

The costs cluster includes the following metrics:

- total workforce costs;
- external workforce costs;
- ratio of the basic salary and remuneration;
- total costs of employment;
- cost per hire;
- recruitment costs;
- turnover costs.

This document includes the following metrics:

- total workforce costs;
- external workforce costs;
- ratio of the basic salary and remuneration;
- total costs of employment.

ISO/TS 30407 details cost per hire metric.

ISO/TS 30421<sup>1)</sup> details recruitment cost and turnover cost metrics.

NOTE Additional metrics and explanation are included in ISO 30405, ISO/TS 30410 and ISO/TS 30411.

---

1) Under preparation. Stage at the time of publication: ISO/PRF TS 30421.

Where the outsourced workforce is a significant and material element of the organization's workforce costs, it can be preferable to report outsourced workforce costs separately.

Currently in preview, click buy full version

# Human resource management — Costs metrics cluster

## 1 Scope

This document describes the elements of organizational workforce costs. This document provides the formula for comparable measures for internal and external reporting.

This document also highlights issues for consideration when interpreting the cost data, especially when deciding on the appropriate intervention internally and when reporting these to external stakeholders (e.g. regulators, investors).

## 2 Normative references

There are no normative references in this document.

## 3 Terms and definitions

For the purposes of this document, the following terms and definitions 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/>

### 3.1

#### full-time equivalent

#### FTE

number of full-time employees needed to complete the equivalent of the total hours worked by all employees in a defined period

## 4 Total workforce costs

### 4.1 General

Workforce costs are one of the most critical factors for organizations, with a direct influence on the earnings or value proposition of an organization. Investors are interested to see the amount an organization invests in the workforce, and the return on that investment in terms of profitability, and also increasingly on non-financial and more intangible measures. The extent of reporting on total external workforce costs should be determined by the organization itself. However, there are indications of the future importance of this metric, for example in terms of digitalization. The objective of this human capital reporting area is to quantify the expenditure of an organization on people. To report the human capital costs means that human capital can be an investment and that workforce costs, which are a major influencing factor in human resource management, can be easily calculated.

Total workforce costs, also known as total labour costs, are similar to total cost of workforce and include total costs of employment, or total employee costs, and external workforce costs. Total costs of employment include all employee-related costs for the organization for a given time period. Total external workforce costs are defined as plus contingent (contract and temporary) workers directly controlled or managed by the organization. Total workforce costs cover salaries and compensation costs, benefits costs and other employee compensation or remuneration costs. [Table 1](#) gives an example of the breakdown of total workforce costs.