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APPENDICES

Appendix A - Executives and Senior HR Managers' Survey

Appendix B - Semi-structured interview guide

Appendix C - Auditors Survey

Appendix D – Metric Questionnaire

Appendix A - Executives and Senior HR Managers' Survey

Instructions

Please select each worksheet (Section 1 - 3) and complete questions by selecting or entering into the WHITE boxes.

Once you completed all 3 sections, please save and email back to:

reuphk@webmail.co.za

you may begin immediately or read the background introduction below first



HUMAN CAPITAL FOR INCLUSION IN COMPANY ANNUAL REPORTS

Questionnaire Target Population :
Company Executives and
HR Professionals

Objective

This questionnaire has been developed by a student in the course PhD: Organizational Behaviour at the University of Pretoria (2005) to gain insight into the reporting (internal and external) done by companies in South Africa in respect of their Human Capital / Human Resource Assets.

Introduction

In today's knowledge economy, a company's ability to support its business strategy with human capital is an. Most executives would agree with the statement that Human Resource Management has an impact on the

This research is focussed on gaining an understanding on:

- the value of organisations' reporting on what they identify to be their most important HCM issues
- whether, in addition to organisation-specific reporting, all organisations should be encouraged to report on the
- how far there should be central guidance on the most appropriate numerical measures (metrics) to be included company reports
- how best to ensure that HCM is both widely reported and the information is trusted by investors and other

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Target Population:

This questionnaire has been designed specifically for Executives in an attempt to understand the current HCM issues being reported on internally as well as externally, and what obstacles may exist to reporting on Human Capital as part of Company Shareholder Reports.

Further input into research:

auditors to ascertain what they believe to be a reflection of the Human Capital and evaluation of Human Assets for an organization to ensure a holistic view is obtained. Interviews may also be requested for certain organizations in order to extrapolate information further or develop further, more qualitative understanding as input to the research. This will be collated into a model with input from HR Specialists to develop a framework which companies may use to report on Human Capital which should provide shareholders and stakeholders of organizations a more holistic view of ALL the assets of the organization.

***Your time and input is
valued and
appreciated.***

Thank you. If you would like to receive the aggregated results of this survey from the other Companies, please provide an email address where we can send it to:

[Email Address](#)

6.) Of those indicators that are **not** currently external, which ones would be complicated to report them externally and what prevents you from externally reporting these.

Indicator	Complicatedness: Please select from dropdown list	What prevents you reporting this externally? Please select from dropdown list
Leave blank		
Leave blank		
Leave blank		
Leave blank		
Leave blank		
Leave blank		
Leave blank		
Leave blank		
Leave blank		
Leave blank		
Leave blank		

Key Indicators Used for Human Capital Management Reporting

7.) In your view, why are the indicators your organisation use to report on Human Capital / Human Resources important? (Please select from dropdown list)

8.) What (if any) indicators do you not currently use but think you could/should?

Why?

9.) Please could you select and indicate 5 areas of most concern / importance for your organization from the indicators.

Top Most Important	
2nd Most Important	
3rd	
4th	
5th	

10.) Were the indicators you identified developed within a conceptual frame of reference related to key businesses/management processes? (Select Yes/No from dropdown box)

11.) Were the indicators developed by the HR function alone or in conjunction with others (example: finance or strategy colleagues)?

HR Alone / In Conjunction with _____

12.) How did you / your company / your financial institution include in external reporting, (if any)?

13.) How have stakeholders (customers, suppliers, shareholders, employees) responded to external reporting of Human Capital measures?

14.) In your view, would there be value in the development of standardised HR measures for general use/use across your industry sector (locally and/or globally)? (Select Yes/No from dropdown box)

15.) In your view, are there common, core HR indicators which ALL companies should report? (Select Yes/No from dropdown box)

SECTION 2

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**Internal Human Resource
Measures ---- 2 Questions**

1.) Which of the following measures / measuring instruments are utilized in your organization for formal measurement?

(Internally Only).

Please could you also select 5 areas of most concern / importance for your organization and indicate these with 1 (Top Most) to 5.

Measurement / Instrument	Areas of most concern or challenge 1 (Top Most) to 5	Is this formally measured (Yes / No)
Business Performance		
Employee Commitment		
Employee Motivation		
Employee Satisfaction		
Employment Equity Charter		
Human Capital		
Knowledge Generation		
Knowledge Integration		
Knowledge Sharing		
Management Leadership		
Process Execution		
Relational Capital		
Retention of Key People		
Structural Capital		
Training		
Value Alignment		

**2.) How do you currently segment your employees / workforce?
(select from dropdown list)**

SECTION 3**University of Pretoria etd – Kasselmann, R (2006)****Company and Personal Information****Please provide the following information on your Company:**

Name of Company		
Year Company was founded		
Industry sector		
Location (Location of Head Office)		
Number of employees	Headcount:	
	Full Time Equivalents	
Part-time employees	Regular:	
	Contingency:	
Headcount – Executives		
Headcount – Professional Staff		
Headcount - Human Resources staff		
Frequency of Company Reporting		

Please complete the following information about you
(Those indicated with an * are optional):

Name and Surname		
Title		
*Gender		
*Age Group		
*Contact Details		
Tel No: (please include dialing code)		
Email address:		
*How long have you performed your current job function?		Years

Click here to save and email back once completed
(reuphk@webmail.co.za)

Thank you. If you would like to receive the aggregated results of this survey from the other Companies, please provide an email address where we can send it to:

Email Address

Your time and input is valued and appreciated.

Appendix B - Semi-structured interview guide



HUMAN CAPITAL FOR INCLUSION IN COMPANY ANNUAL REPORTS

- A South African Perspective

SEMI-STRUCTURED INTERVIEW GUIDE WITH COMPANY EXECUTIVES / SNR HR MANAGEMENT

DATE: _____

ORGANISATION: _____

INTERVIEWEE: _____

POSITION: _____

Semi-structured interviews:

Question	Answer
1. What is your current role in the organisation?	
2. Do you believe that your people and HCM practices have an impact on the performance of your organisation?	
3. Do you believe that your Board (or equivalent) should try to understand the links between these practices and performance, and ensure that your HCM strategy complements and supports your business strategy?	
4. How can /do you demonstrate, to your own satisfaction and that of your stakeholders, that this is so?	
5. Do you use any systems to enable your HCM reporting?	
6. What reports do you believe have provided you / your line management with the most valuable insights into HCM or HR Practices?	
7. Was there a specific reason for implementing the system(s) mentioned?	

Are you able to answer any of the following questions via a report or similar for your organisation?
 How important are these factors for your organisation, and if you do not currently receive such information, would you consider it relevant / important to provide insight with regard to Human Capital within the company?

Question	Can be answered	Importance for your organisation
Which segments of the workforce create the value for which we are most rewarded in the marketplace?		
Which areas of the business will be most impacted by impending waves of retirement?		
What is being done to prepare successors?		
What impact will anticipated retirement have on the skills and productivity necessary to meet future demands?		
Which segments of the workforce will be most impacted? Is the talent market heating up (i.e. demand will outpace supply)?		
What skills will be required over the next five years that the company doesn't currently possess?		
How will the company create capacity for skills which they currently do not have?		
What is the staff turnover within critical areas?		
How much is staff turnover costing the company In customers / productivity/ innovation / quality?		
What is being done to resolve the root cause of high staff turnover?		
What is being done to retain our key / core workforce segments?		
What are the workforce demographics?		

Is there any other information / reports which you believe are critical (internal or external) from a Human Capital reporting perspective for company stakeholders?

Use survey response to initiative detailed further discussion.

Appendix C - Auditors Survey



HUMAN CAPITAL FOR INCLUSION IN COMPANY ANNUAL REPORTS - A South African Perspective

Questionnaire Target Population:

Auditors (Internal and External)

Objective

This questionnaire has been developed by a student in the course PhD: Organisational Behaviour at the University of Pretoria (2005) with the objective of developing a model for reporting on Human Capital / Human Resource Assets for South African companies.

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INTRODUCTION

In today's knowledge economy, a company's ability to support its business strategy with Human Capital is an important indication of the company's future business performance. The King II Report on Corporate Governance in South Africa (2002) recommended that management accounting should, as a matter of best management practice, reflect requirements of human capital development. This implies that companies should lay out, in publicly reported accounts, the principles, standards and goals adopted for the development of their Human Capital, making appropriate reference to the accounting policies adopted to support adherence to them. Furthermore, King II recognises that the development of Human Capital does not only to serve the economic interest of the company, but also serves the requirements of the society within which the company operates. However, no standard or framework to enable the inclusion of this information in company reporting to demonstrate the effect on performance currently exists. This means that a company's most significant asset (Human Capital) is not included in the valuation of the business.

This research is focussed on gaining an understanding on:

- The value of organisations' reporting on what they identify to be their most important Human Capital Management (HCM) issues
- Whether, in addition to organisation-specific reporting, all organisations should be encouraged to report on the Human Resource issues as part of the company shareholder report
- The extent of central guidance on the most appropriate numerical measures (metrics) which should be included in company reports
- How best way to ensure that HCM is both widely reported and the information is trusted by investors and other stakeholders as relevant, reliable and consistent, and what obstacles there might be to such reporting.

Target Population:

This questionnaire has been designed specifically for Auditors to determine the relevance of the dimensions and descriptive elements of model for Human Capital Reporting as well as to identify any additional elements that are perceived to be relevant.

Your time and input is valued and appreciated.

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SURVEY ON HUMAN CAPITAL MANAGEMENT REPORTING

SECTION 1

Please complete the following information about you
(Those areas indicated with an * are optional):

If completing this form electronically, please simply delete the options not applicable.

Name and surname	
Title	Mr, Mrs, Ms, Dr, Prof, etc
Highest qualifications	
*Gender	Male / Female
*Age group	Below 30; 30 – 45; 45 – 55; Over 55
*Contact details	Tel No: Email address:
Your position / job title	Auditor (Internal) Auditor Manager Senior Manager Audit Partner Other (Text Box)
*How long have you performed your current job function?	_____ years

Please provide the following information on your company / the company which you audit:

Please copy this box if more than one

Name of your company		
Company(ies) which you audit		
Industry sector		
Number of employees	Headcount:	Full time equivalents:
Part-time employees	Regular:	Contingency:
Headcount – executives		
Headcount – professional staff		
Headcount – Human Resources staff		
Frequency of company Reporting	List: Quarterly Half-yearly Annually	

Please complete the following questionnaire. There are no right or wrong answers. Simply evaluate each item based on your own experience.

Human Resource Reporting

I am familiar with and /or have used the following Human Capital calculations:

(Please mark with an X)

	Unknown	Familiar	Used
HC ROI (Return on Investment on employees) = (Revenue – (Expenses – Compensation))/Compensation			
Compensation Revenue Factor = Compensation as % of Sales			

Please indicate if you believe the following information should be readily available and shared with company stakeholders by marking with a (X) in the Essential / Not essential columns. If you indicate that the information is essential, please also indicate if you consider this to be so for Internal Only or Internal and External Stakeholders.

	Essential	Not Essential	Internal Stakeholders Only	Internal and External Stakeholders
1. Which segments of the workforce create the value for which we are most rewarded in the marketplace?				
2. Which areas of the business will be most impacted by impending waves of retirement?				
3. What are being done to prepare successors?				
4. What impact will anticipated retirement have on the skills and productivity necessary to meet future demand?				
5. Which segments of the workforce will be most impacted by the areas? Is the talent market heating up? (I.e. demand will outpace supply)				
6. What are the potential top-line and bottom-line implications of demand outpacing supply in the talent market per segment of workforce?				
7. What skills will be required over the next five years that the company does not currently possess?				
8. How will the company create capacity for skills which they currently do not have?				
9. What is staff turnover within critical areas?				

	Essential	Not Essential	Internal Stakeholders Only	Internal and External Stakeholders
10. How much is staff turnover costing the company In customers / productivity/ innovation / quality?				
11. What is being done to resolve the root cause of high staff turnover?				
12. What is being done to retain your key / core workforce segments?				
13. Is the company actively developing talent portfolios or workforce plans that will help you to understand and communicate the financial consequences of talent decisions on the business?				

Please list any other essential information you believe should be shared with stakeholders of an organisation.

Information	Reason / rationale for being essential	Internal Stakeholders Only	Internal and External Stakeholders	Notes (if required)

Thank you. If you would like to receive the aggregated results of this survey, please provide an e-mail address where we can send it: E-mail: _____

This information will only be processed in accordance with the provisions of the Data Protection Act 1998 and any other relevant legislation. No further information will be sent to you unless required.

Please return this form to the researcher:

reuphk@webmail.co.za

OR

Reuphillan Kasselmann

c/o Deloitte Consulting

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Appendix D – Metric Questionnaire



HUMAN CAPITAL FOR INCLUSION IN COMPANY ANNUAL REPORTS

- A South African Perspective

Questionnaire Target Population:

HR Consultants / Experts

- Students in Human Resources Management
- HR Consultants

Objective

This questionnaire has been developed by a student in the course PhD: Organizational Behaviour at the University of Pretoria (2005) with the objective of developing a model for reporting on Human Capital / Human Resource Assets for South African companies.

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INTRODUCTION

In today's knowledge economy, a company's ability to support its business strategy with Human Capital is an important indication of the company's future business performance. The King II Report on Corporate Governance in South Africa (2002) recommended that management accounting should, as a matter of best management practice, reflect requirements of Human Capital development. This implies that companies should lay out, in publicly reported accounts, the principles, standards and goals adopted for the development of their Human Capital, making appropriate reference to the accounting policies adopted to support adherence to them. Furthermore, King II recognises that the development of Human Capital does not only to serve the economic interest of the company, but also serves the requirements of the society within which the company operates. However, no standard or framework to enable the inclusion of this information in company reporting to demonstrate the effect on performance currently exists. This means that a company's most significant asset (Human Capital) is not included in the valuation of the business.

This research is focussed on gaining an understanding on:

- The value of organisations' reporting on what they identify to be their most important Human Capital Management (HCM) issues.
- Whether, in addition to organisation-specific reporting, all organisations should be encouraged to report on the Human Resource issues as part of the company shareholder report.
- The extent to which central guidance on the most appropriate numerical measures (metrics) should be included in company reports.
- How best to ensure that HCM is both widely reported, and that the information is trusted by investors and other stakeholders as relevant, reliable and consistent, and what obstacles there might be in such reporting.

Target population:

This questionnaire has been designed specifically for HR students and consultants to determine the relevance of the dimensions and descriptive elements of Human Capital Reporting, as well as to identify any additional elements that are perceived to be relevant.

Further input into research:

Further research will be done using a similar questionnaire to assess the opinion of company valuers and auditors to ascertain what they believe to be a reflection of the Human Capital and evaluation of Human Assets for an organisation to ensure a holistic view is obtained. This will be collated into a model with input from this questionnaire to develop a framework which companies may use to report on Human Capital which should provide shareholders and stakeholders of organisations a more holistic view of ALL the assets of the organisation.

Your time and input is valued and appreciated.

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SURVEY ON HUMAN CAPITAL MANAGEMENT REPORTING

Please complete the following questionnaire. There are no right or wrong answers. Simply evaluate each item based on your own experience.

PERSONAL INFORMATION

Please complete the following information about you.
(Those areas indicated with an * are optional):

Name and surname	
Title	List titles: Mr, Mrs, Ms, Dr, Prof, etc
Highest qualification	
*Gender	Male / Female
*Age group	Below 30; 30 – 45; 45 – 55; Over 55
*Contact details	Tel No: Email address:
Your position	Student HR Consultant Other (Text Box)

SECTION 1

Model for Employee Value

The following statements measure the value of Human Capital against a model for Shareholder value. Please read the question on the left, then evaluate the dimension in the next column to be either Essential or Not Essential by placing an (X) in the relevant column.

		Essential	Not Essential
What is the relevance of the following dimensions to lead to a reduction in the Total Cost of Employee Interactions for HR? (Please consider the impact on the service offered by HR in assessing these dimensions)	Reduce compensation administration costs		
	Reduce benefits administration costs		
	Reduce performance management costs		
	Reduce talent management costs		
	Reduce recruiting and selection costs		
	Reduce learning / training costs		
Will the following dimensions increase employee efficiency?	Reduce employee time spent on administrative functions		
	Increase technical skills of employee		
	Improve execution capability of employee		
Will the following dimensions help to improve the employee's impact on customers?	Improve employee's understanding of his/her impact on shareholder value		
	Improve planning		
Will the following dimensions assist in the improvement of employee performance?	Broaden collaboration and support with customers		
	Improve employee retention		
	Improve employee's skills and competence		
	Improve employee effectiveness		

Will the following dimensions assist to help with the improvement of asset profitability for the organisation?	Physical assets		
	Technology assets		
	People assets		
Will the following external factors influence the view of stakeholders in their value / perception of the organisation?	Diversity management		
	Preferred employer image		
	Social responsibility		
	Union management		
	Safety management / safety record		

SECTION 2

Human Resource Measures

Indicate with an X in the relevant box (Yes / No) if you believe the following measurement / instrument can be used to evaluate the status of the Human Capital Value in organisations.

(Please see Appendix A for definitions if required):

Measurement / Instrument	Yes	No
Business performance		
Employee commitment		
Employee motivation		
Employee satisfaction		
Employment equity charter		
Human Capital		
Knowledge generation		
Knowledge integration		
Knowledge sharing		
Management leadership		
Process execution		
Relational capital		
Retention of key people		
Structural capital		
Training		
Value alignment		

SECTION 3

The following metrics are considered required to provide insight into the effectiveness and efficiency of Human Resources in an organization and should be included in External Reporting on Human Capital.

Please use the sheet (Form 1) provided and complete per indicator (reference the indicator number) the following:

For electronic submissions, this form is also provided in Excel for easier completion. (Please use Metrics List.xls)

- 1 Is the indicator/ metric applicable?
- 2 Is the indicator/ metric complete?
- 3 Is the indicator applicable to all types of organisations?
- 4 Is the data for the indicator easily obtained?
- 5 Is the calculation required for the indicator simple?
- 6 Is the indicator understandable?
- 7 Is the data objective, quantifiable and reliable?
- 8 Does the indicator point towards sustainable improvement?
- 9 Can the indicator be measured on an ongoing basis?

No	Indicator/ Metric
1	Costs per Full-Time Employee
2	Revenue per Employee
3	Total Compensation/Benefits as Ratio of Total Revenue
4	Training Investment per Employee
5	Training Remuneration Factor
6	Recruitment Resource Ratio
7	Total Compensation as Ratio of Total Costs
8	Incentive Cost Ratio
9	Termination Rate
10	EE Movements
11	Acceptance Rate
12	Employee Commitment
13	Employee Motivation
14	Employee Satisfaction
15	Management Leadership
16	Knowledge Generation
17	Knowledge Integration
18	Knowledge Sharing
19	Process Execution
20	Retention of Key People
21	Relational Capital
22	Structural Capital
23	Value Alignment

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No	Indicator/ Metric
24	Absenteeism rate by job category and job performance
25	Accident costs
26	Accident safety ratings
27	Average employee tenure (by performance level)
28	Average time for dispute resolution
29	Benefits costs as a percentage of payroll or revenue
30	Benefits costs/competitors' benefits costs ratio
31	Compliance with fair employment practices / industry charter
32	Compliance with technical requirement of affirmative action
33	Comprehensiveness of safety monitoring
34	Compensation of high performers compared to average performers in peer group
35	Cost of HR-related litigation
36	Cost of injuries
37	Cost per grievance
38	Cost per hire
39	Cost per trainee hour
40	Courses with highest number of attendees by competency
41	HR department budget as a percentage of sales
42	HR expense per employee
43	HR expense / total expense
44	Interviews per-offer ratio (selection ratio)
45	Lost time due to accidents
46	Measures of cycle time for key HR processes
47	Number of applicants per recruiting source (by quality)
48	Number of hires per recruiting source (by quality)
49	Number of courses taught by subject
50	Number of recruiting advertising programs in place
51	Number of safety training and awareness activities
52	Number of poor performers who left per level
53	Number of stress-related illnesses
54	Number of training days and programs per year
55	Offer-to-acceptance ratio
56	Proportion of high performers to average performers, per job level
57	Percentage of and number of employees involved in training
58	Percentage of correct data in HR information system
59	Percentage of employee development plans completed

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No	Indicator/ Metric
60	Percentage of employees with access to appropriate training and development opportunities
61	Percentage of new material in training programs each year
62	Percentage of payroll spent on training
63	Percentage of performance appraisals completed on time
64	Response time per information request
65	Sick days per full-time equivalent per year
66	Speed of salary action processing
67	Time needed to orient new employees
68	Time to fill an open position
69	Total compensation expense per employee
70	Total HR investment / earnings
71	Total HR investment / revenues
72	Turnover by recruiting source
73	Turnover costs
74	Turnover rate by job category and job performance
75	Variable labour costs as percentages of variable revenue
76	Worker's compensation costs
77	Workers compensation experience rating
78	Access to business information to facilitate decision making
79	Adherence by the workforce to core values, e.g. cost consciousness
80	Average change in performance appraisal rating over time
81	Change in employee mind-set
82	Climate surveys
83	Consistency and clarity of messages from top management and from HR
84	Customer complaints / praise
85	Customer satisfaction with hiring process
86	Degree of financial literacy among employees
87	Degree of race and gender by job category
88	Effectiveness of performance appraisal processes for dealing with poor performers
89	Employee commitment survey scores
90	Employee competency growth
91	Employee development / advancement opportunities, compensation, etc.
92	Employee turnover by performance level and controllability
93	Extent of cross-functional teamwork
94	Extent of organisational learning
95	Extent of understanding of the firm's competitive strategy and operational goals

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No	Indicator/ Metric
96	Extent to which employees have ready access to the information and knowledge that they need
97	Extent to which required employee competencies are reflected in recruiting, staffing, and performance management
98	Extent to which employees are clear about the firm's goals and objectives
99	Extent to which employees are clear about their own goals
100	Extent to which hiring, evaluation, and compensation practices seek out and reward knowledge creation and sharing
101	Extent to which HR is helping to develop necessary leadership competencies
102	Extent to which HR does a thorough job of pre-requisition soft-asset due diligence
103	Extent to HR leadership is involved early in selection of potential acquisition candidates
104	Extent to which HR measurement systems are seen as credible
105	Extent to which information is communicated effectively to employees
106	Extent to which the average employee can describe the firm's HR strategy
107	Extent to which the average employee can describe the firm's strategic intent
108	Extent to which the firm shares large amounts of relevant business information widely and freely with employees
109	Extent to which the firm has turned its strategy into specific goals / objectives that employees can act in the short and long run
110	Extent to which top management shows commitment and leadership around knowledge-sharing issues throughout the firm
111	Percentage of employees making suggestions
112	Percentage of PDI promotions
113	Percentage of workforce that is promotable
114	Percentage of employees with experience outside their current job responsibility or function
115	Percentage of retention of high-performing key employees
116	Perception of consistent and equitable treatment of all employees
117	Performance of newly hired applicants
118	Planned development opportunities accomplished
119	Ratio of HR employees to total employment workforce
120	Requests for transfer per supervisor
121	Retention rates of critical Human Capital
122	Success rate of external hires
123	Survey results on becoming "the" employer of choice in selected, critical positions

SECTION 4
Human Resource Reporting

I am familiar with and /or have used the following Human Capital Calculations:

	Familiar	Used
HC ROI (Return on Investment on employees) = (Revenue – (Expenses – Compensation))/Compensation		
Compensation Revenue Factor = Compensation as % of Sales		

I believe the following information should be readily available and shared with all company stakeholders:

	Essential	Not Essential	Internal Stakeholders Only	Internal and External Stakeholders
1. Which segments of the workforce create the value for which we are most rewarded in the marketplace?				
2. Which areas of the business will be most impacted by impending waves of retirement?				
3. What is being done to prepare successors?				
4. What impact will anticipated retirement have on the skills and productivity necessary to meet future demands?				
5. Which segments of the workforce will be most impacted? Is the talent market heating up (i.e. demand will outpace supply)?				
6. What are the potential top-line and bottom-line implications of demand outpacing supply in the talent market per segment of the workforce?				
7. What skills will be required over the next five years that the company does not currently possess?				
8. How will the company create capacity for skills which they currently do not have?				
9. What is staff turnover within critical areas				
10. How much is staff turnover costing the company In customers / productivity/ innovation / quality?				
11. What is being done to resolve the root cause of high staff turnover?				
12. What is being done to retain our key / core workforce segments?				
13. Is the company actively developing talent portfolios or workforce plans that will help us to understand and communicate the financial consequences of talent decisions on business?				

Thank you. If you would like to receive the aggregated results of this survey from the other Companies, please provide an email address where we can send it to: Email: _____

This information will only be processed in accordance with the provisions of the Data Protection Act 1998 and any other relevant legislation. No further information will be sent to you unless required.