

## 8.20: Performance Measures

### Learning Objectives

- List the performance measures of human resource management

The human resources (HR) division of a business organization handles the hiring and training of new employees and administrative duties regarding the company's staff. Some of the concepts human resource departments' use to measure performance is: productivity, employee engagement and turnover. HR maintains records and conducts regular assessments of these performance measures for various reasons including employee satisfaction and keeping production high.

### Productivity

Retail productivity is the rate at which commerce is being initiated by a business. HR management measures productivity in order to determine competitiveness against other comparable retailers. Retail stores, as with most modern-day businesses, are always evolving therefore; evaluating productivity is an important component in determining what works for the company as a whole. High productivity can lead to expansion of a retail company and have influence over other components of an organization. Productivity is one of the most important factors in determining progress within the retail market.

### Engagement

Employee engagement is the relationship employees have with their retail store and their particular job within the business. High employee engagement has a direct correlation to high levels of work productivity and loyalty to their retail business. If an employee is exhibiting a high level of engagement with their company, employee morale tends to be elevated. Many companies have come to rely on HR for organizing activities for their retail businesses in order to keep engagement levels high. This may come in the form of organizing social events or specialized training sessions. "Executives from around the world say that enhancing employee engagement is one of their top five global business strategies. Not only does engagement have the potential to significantly affect employee retention, productivity and loyalty, it is also a key link to customer satisfaction, company reputation and overall stakeholder value"<sup>[1]</sup>

### Turnover

Turnover in the human resources sector is the rate to which employees depart a company. Human resource management may measure performance by the increase or decrease of turnover within a retail organization. Turnover is typically recognized as a negative connotation in most businesses because of the cost it takes to train new employees as replacements for the employees who leave. In some instances turnover's drawbacks can be gauged against its benefits.

Rosemay Batt and Alexander J. S. Colvin emphasize that "Organizations confront uncertain costs and benefits: the cost of operational disruption and replacement... versus the benefits of lower cost labor or of fresh skills with which to compete on innovation."<sup>[2]</sup> Nevertheless, a good HR management team will make every ethical attempt as allowed by law to keep their turnover rates low.

One of the tools HR management might use for this would be an exit interview in which an employee discusses their experience with the company and what lead to them leaving the business. This gives the individual employee the opportunity to develop a sense of closure and gives HR an understanding of what escalated to them quitting. Whether the scenario entails an employee leaving a retail organization because they are unhappy at their job, or if it is simply to go on to another place of business totally unrelated to retail, one of the duties of a good HR management team is to keep track of these incidences and to investigate what caused the departure.

### Practice Questions

<https://assessments.lumenlearning.co...sessments/9220>

1. <https://www.shrm.org/resourcesandtools/tools-and-samples/toolkits/pages/sustainingemployeeengagement.aspx> ↵
2. BATT, R., & COLVIN, A. (2011). AN EMPLOYMENT SYSTEMS APPROACH TO TURNOVER: HUMAN RESOURCES PRACTICES, QUILTS, DISMISSALS, AND PERFORMANCE. *The Academy of Management Journal*, 54(4), 695–717.

<http://www.jstor.org/stable/23045107>↵

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