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The Ten Properties of an Operating Metric

The ten properties that distinguish an authoritative operating metric from HR's myriad other useful but indirect measures.

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Overview

An operating metric is the number an enterprise function uses to govern the condition for which it is accountable. To govern a condition is to manage, monitor, improve, and be accountable for it through recurring measurement, decision, action, change, and verification.

This paper defines ten structural properties that an operating metric must satisfy. The properties are drawn from established operating metrics in Finance, Operations, Supply Chain, Sales, and Force Readiness. The details vary by domain, but the pattern is consistent, and needs to apply to HR equally. HR has many valuable indicators, diagnostics, frameworks, benchmarks, and planning tools. It does not yet have a governing operating metric for the workforce condition most central to enterprise performance: the extent to which talent and culture can deliver the outcomes the business has committed to achieve.

Every major enterprise function that governs execution relies on a metric with more than reporting value. Finance uses governed numbers to manage capital. Operations uses process capability to manage production quality and consistency. Supply Chain uses service and flow metrics to manage delivery reliability. Sales uses pipeline and quota metrics to manage revenue generation. Supply Chain uses fulfillment measures to manage the timeliness and completeness of material delivery. These metrics differ in content, but they share a common structure: they identify the current condition of the system, locate constraints, guide action, and allow management to test whether action changed the condition being governed.

We use the term govern to mean those activities through which the function exercises accountability for the condition in its domain. Governing activities include:

- defining the condition it is responsible for
- determining whether that condition is healthy, at risk, or insufficient;
- setting relevant performance targets and thresholds;

- detecting all variances from what the business requires (e.g., speed, volume, quality, mix, etc.);
- deciding where to intervene to adjust for unacceptable variances;
- assigning attention, resources, and action to selected interventions;
- reporting progress or risk to enterprise leadership.

HR has many measures. It tracks headcount, turnover, engagement, time-to-fill, learning activity, succession coverage, workforce plan attainment, organizational health, and others. These measures are useful. None, either by itself or collectively, serves the governing functions listed above, which every other enterprise function's governing metric serves in its respective domain.

The relevant question then is what an HR operating metric must be able to do. The answer is a structural specification: ten properties that uniquely designate an operating or governing metric, and so distinguish it from every customary HR measure, metadata, or framework.

TEN PROPERTIES OF AN HR OPERATING METRIC

These ten properties define what makes a metric capable of governing a functional condition. A metric that fails any one of them may still inform management, but it cannot govern the condition from end to end. For HR, a valid operating metric must measure the current, strategy-specific condition of talent and culture; determine whether that condition is sufficient for required business outcomes; identify the binding constraint; support comparison and prioritization; assign ownership; guide intervention; close through a recurring management cycle; attribute change to action; and verify the evidence behind the judgment. The properties align with requirements for measurement integrity, decision utility, and governance authority.

Measurement Integrity Properties

1. Strategy-Derived

The metric must begin with the business outcome, not with HR activity. A growth strategy, acquisition integration, AI deployment, cost reset, product launch, or turnaround each creates different workforce requirements. The metric must translate the strategy into the talent and culture conditions required to deliver that specific commitment within the relevant time window. This means defining what the business must be ready for before measuring whether the workforce is ready. The question is not whether the organization has strong talent, a positive culture, or favorable HR benchmarks in general. The question is whether this organization has the talent and culture required for this strategy, at this level of performance, by this point in time.

2. Current-State

The metric must establish the present workforce operating position. It is not enough to know that a workforce plan exists, hiring is underway, training has been launched, or culture work has begun. The operating question is whether the organization is ready now, or becoming ready fast enough, to deliver the commitment. For talent, this includes role coverage, capability availability, capacity, development progress, leadership depth, and talent risk. For culture, it includes priority alignment, decision effectiveness, governance discipline, coordination quality, operating behavior, and adaptability. The metric must show the condition as it exists, not the condition leaders intend to create.

3. Complete (Talent & Culture)

The metric must cover the full workforce execution condition, not a single component. In HR, completeness requires integrating the two determinants of sustained execution: Talent Capacity and Culture Effectiveness. Talent Capacity addresses whether the organization has the capability, capacity, role coverage, development progress, leadership depth, and enabling tools required to perform the work. Culture Effectiveness addresses whether leadership direction, decision authority, governance routines, coordination norms, and execution behaviors convert that capability into outcomes. A talent-only metric misses cultural constraints. A culture-only metric misses capability constraints. A valid HR operating metric must represent both.

4. Ordinal

The metric must make talent and culture conditions meaningfully comparable. Leaders need to know whether Talent Capacity is stronger or weaker than Culture Effectiveness, whether one business unit is more ready than another, whether readiness is improving or deteriorating, and whether progress is sufficient within the required time window. Because workforce conditions are often uneven, the metric must allow leaders to compare current readiness against required readiness, identify the weaker condition, and prioritize the constraint most limiting execution.

Decision Utility Properties

5. Constraint-Aware

The metric must identify what is actually limiting readiness. Workforce constraints rarely appear as a single deficiency. An organization may have enough headcount but the wrong skills, strong talent but unclear priorities, capable leaders but weak decision rights, or cultural commitment without execution discipline. The metric must also recognize real operating constraints: budget, headcount, time, leadership bandwidth, structure, sequencing, and execution load. A readiness score that assumes ideal conditions is not an operating position; it is a wish. A valid HR operating metric must show not only that readiness is limited, but what is binding and under what constraints improvement must occur.

6. Assignable

The metric must make ownership visible. Talent and culture are shared conditions, but shared ownership cannot mean vague accountability. If the constraint is role design, capability building, succession depth, workforce coverage, or talent supply, HR may own the design and enablement work while business leaders own adoption. If the constraint is decision authority, priority conflict, governance discipline, coordination quality, or execution behavior, ownership may sit with a business leader, executive team, transformation office, or operating committee.

The metric must separate the workforce condition from the accountable owner and make clear whether the issue is HR-managed, business-owned, or cross-functional.

7. Actionable

The metric must point to the intervention required. A low readiness score is not enough; leaders must know what must change. If Talent Capacity is limiting readiness, action may involve redesigning critical roles, accelerating hiring, redeploying talent, closing skill gaps, increasing leadership depth, reducing overload, or revising the workforce plan. If Culture Effectiveness is limiting readiness, action may involve clarifying priorities, resetting decision rights, strengthening governance routines, improving coordination, changing leadership behavior, or removing execution blockers. The metric must convert diagnosis into a practical action path.

Governance Authority Properties

8. Operating-Cycle Closed

The metric must close through a recurring management cycle, at least quarterly. Reporting a score is not enough. A metric becomes operating-cycle closed only when leaders use it to complete a repeatable cycle of review, decision, action, and follow-up. Each cycle should establish the current condition, compare it to the required condition, identify movement and constraints, assign or update actions, review prior interventions, and determine whether the condition improved, deteriorated, or remained unchanged. This is what separates an HR dashboard from an HR operating metric.

9. State-Change Attributable

The metric must show whether the underlying talent-and-culture condition actually improved and whether that improvement can be plausibly connected to management action. HR activity is not the same as workforce readiness improvement. Hiring activity does not prove capability sufficiency. Training completion does not prove capability availability. Culture workshops do not prove execution behavior has changed. Communication does not prove alignment. The metric must connect movement in readiness to observable changes in condition: roles filled, capability gaps reduced, capacity constraints relieved, decision rights clarified, governance routines strengthened, coordination improved, blockers removed, or delivery performance stabilized.

10. Verifiable

The metric must be grounded in evidence that can be reviewed, challenged, and repeated. A CHRO needs more than confidence that the organization is improving; the CHRO needs an evidence-based operating position. For talent, evidence may include workforce plans, role coverage, skills data, staffing levels, development progress, succession depth, attrition risk, and capacity indicators. For culture, evidence may include decision logs, governance cadence, priority alignment, operating reviews, execution metrics, coordination patterns, behavioral observations, and delivery performance. The metric must produce a readiness judgment transparent enough to be trusted. It should show the score, the evidence behind the score, the confidence in that evidence, the basis for any claim of improvement, and the method by which the conclusion can be reproduced.

Exhibit 1

The properties of an operating metric enable accountable governance

#	Property	What the property entails
Measurement Integrity Properties		
1	Strategy-Derived	Assesses the condition against the organization's current strategic requirements and time window.
2	Current-State	Anchors the number to the present condition, not what happened historically or what leaders intend.
3	Talent & Culture	Covers the full condition the metric is intended to govern. For HR, this means integrating Talent and Culture.
5	Ordinal	Change corresponds unambiguously to improvement or deterioration in the strategy-derived condition.
Decision Utility Properties		
4	Constraint-Aware	Identifies the binding constraint limiting the condition such as budget, headcount, time, dependencies, and workloads.
6	Assignable	Links the identified constraint to a responsible owner or decision authority able to address it.
7	Actionable	Points to interventions capable of changing the condition by relieving the constraint identified.
Governance Authority Properties		
8	Operating-Cycle Closed	Closes regularly reviewing current vs required condition, assessing movement, updating action, tracking commitments.
9	State-Change Attributable	Connects movement in the metric to changes in the underlying condition and the interventions that caused them
10	Verifiable	Uses a reproducible, challengeable, and evidence-based method to prove impact of intervention on conditions.

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THE PROPERTIES WORK AS A SYSTEM

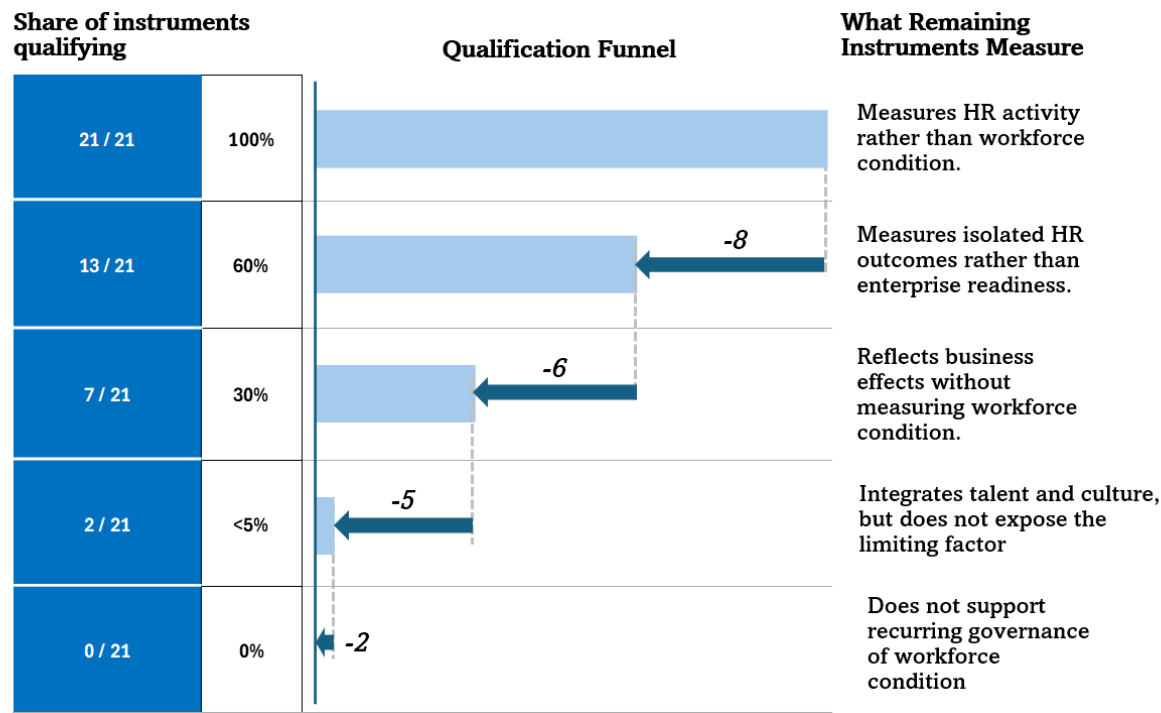
Strategy-derived and current-state properties anchor the metric to the work the business actually needs done and to the condition leaders can act on now. Complete talent-and-culture coverage ensures the metric reflects the full workforce execution system. Ordinal scoring and constraint awareness make prioritization possible. Being assignable and actionable translates diagnosis into ownership and intervention. The final three properties close the loop. Together, the ten properties define the difference between a workforce dashboard and a workforce governing metric.

HOW EXISTING HR INSTRUMENTS PERFORM

Twenty-one customary HR instruments were assessed against the ten operating-metric properties. The instruments include engagement surveys, organizational health frameworks, workforce planning tools, human capital reporting standards, operational HR metrics, productivity measures, skills and competency frameworks, culture diagnostics, learning metrics, and succession planning tools. None qualified across all ten criteria. The results show a significant “weeding out” as the criteria call for more business and less HR-internal insights. Exhibit 2.

Exhibit 2

Conventional metrics focus internally, rarely addressing strategy and constraints



Existing instruments are strongest when they describe a domain, report activity, and support HR-process management. They are weakest where enterprise governance matters most: strategy-derived sufficiency, integrated talent-and-culture coverage, constraint identification, recurring operating-cycle closure, and verified state change. Existing metrics answer important local questions. They do not answer the governing question end to end.

The Appendix to this paper includes a table summarizing how each metric performed against all ten criteria.

EXISTING INSTRUMENTS STILL MATTER

A governing operating metric gives existing instruments a clearer role. They become inputs, diagnostics, leading indicators, explanatory signals, and evidence sources. They help explain why the governing number is where it is and what should be done next.

- Organizational health frameworks remain useful for broad cultural diagnosis and pattern recognition.
- Engagement measures remain useful signals inside Culture Effectiveness assessment.
- Workforce planning remains the future-state complement to a current-state operating metric.
- Operational metrics such as time-to-fill, turnover, mobility, learning completion, and succession coverage remain diagnostic inputs into Talent Capacity or Culture Effectiveness.
- Benchmarks remain useful context, but they cannot substitute for strategy-derived readiness against the organization's own requirements.

The right measurement architecture leverages existing measures to feed a governing metric capable of closing the operating cycle with diagnosis, action, and verification.

IMPLICATIONS FOR HR MEASUREMENT AND GOVERNANCE

A function earns operating authority when it can state the condition it governs, measure that condition against the strategy, identify the binding constraint, act on that constraint, prove that the action changed the condition, and repeat this process in a business-relevant timeframe. Finance does this for capital. Operations does it for process capability. Supply Chain does it for delivery reliability. Sales does it for revenue generation. HR still lacks the governing metric that allows it to do the same for talent and culture.

The ten properties in this paper define the specification any candidate HR operating metric must satisfy. The assessment shows that no existing HR instrument meets that specification in full. That finding is the case for a new operating metric. Workforce Readiness is designed to fill the gap.



Appendix: Performance of conventional HR measures and frameworks as HR Operating Metrics

	OPERATING METRIC CRITERIA (unweighted by importance)										Total
	1	2	3	4	5	6	7	8	9	10	
Instrument / framework	Strategy-Derived	Current-State	Talent & Culture Coverage	Constraint-Aware	Ordinal	Assign-able	Action-able	Operating-Cycle Closed	State-Change Attributable	Verifiable	
Workforce Readiness WR = TC × CE	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Bench Strength / Succession	✓	✓	-	✓	✓	✓	✓	-	✓	✓	8
Workforce Plan Attainment	✓	✓	-	-	✓	✓	✓	-	✓	✓	7
Time-to-Fill	-	✓	-	-	✓	✓	✓	-	✓	✓	6
Cost-per-Hire	-	✓	-	-	✓	✓	✓	-	✓	✓	6
Internal Mobility Rate	-	✓	-	-	✓	✓	✓	-	✓	✓	6
Quality of Hire	-	✓	-	-	✓	✓	✓	-	✓	✓	6
DEI Representation Index	-	✓	-	-	✓	✓	-	-	✓	✓	5
Learning Completion Rate	-	✓	-	-	✓	✓	✓	-	-	✓	5
Training Expense per Employee	-	✓	-	-	✓	✓	-	-	-	✓	4
Turnover Rate	-	✓	-	-	✓	✓	-	-	-	✓	4
Gallup Q12	-	✓	-	-	✓	✓	✓	-	-	-	4
Attrition / Voluntary Turnover	-	✓	-	-	✓	✓	-	-	-	✓	4
Manager Effectiveness Index	-	✓	-	-	✓	✓	✓	-	-	-	4
McKinsey OHI	-	✓	-	-	✓	-	✓	-	-	-	3
Korn Ferry OHS	-	✓	-	-	✓	-	✓	-	-	-	3
Aon Hewitt Say-Stay-Strive	-	✓	-	-	✓	-	✓	-	-	-	3
Gartner HR Score	-	✓	-	-	✓	-	✓	-	-	-	3
Revenue per Employee	-	✓	-	-	✓	-	-	-	-	✓	3
Mercer HC Benchmark	-	✓	-	-	✓	-	-	-	-	-	2
Employee Engagement Score	-	✓	-	-	✓	-	-	-	-	-	2
Employee NPS	-	✓	-	-	✓	-	-	-	-	-	2

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About the Workforce Readiness Institute
The Workforce Readiness Institute is an independent research and standards body focused on establishing Workforce Readiness as the governing operating metric for enterprise HR. WRI publishes working papers, technical papers, and practice articles at workforce-readiness.org.