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# Human resource management — Guidelines on human governance

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**National foreword**

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**Human resource management —  
Guidelines on human governance**

*Management des ressources humaines — Lignes directrices sur la  
gouvernance humaine*



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## Foreword

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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)).

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For an explanation on 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 the following URL: [www.iso.org/iso/foreword.html](http://www.iso.org/iso/foreword.html).

The committee responsible for this document is Technical Committee ISO/TC 260, *Human resource management*.

## Introduction

People are at the heart of every organization. For an organization to achieve long-term sustainable success, it is important to consider all stakeholders within the governance system.

All organizations have governance. Governance refers to the system by which organizations are directed, controlled and held accountable. Governance defines rules, systems, processes and behaviour. To be effective, a governance system needs to consider the whole organization in all of its dimensions. Effective governance promotes confidence in both present and future stakeholders (employees, investors, shareholders, customers and other interested parties) in the long-term viability of the organization. Effective governance contributes to strategic decision-making by creating responsible, accountable, well-managed and value-focused organizations.

Human governance refers specifically to the system or systems by which people within an organization are directed and held accountable. The governance of people is as important as the governance of physical assets or financial capital, and how this is done is instrumental in promoting appropriate behaviour within an organization. By considering human and social factors in the decision-making process, the human governance system will lead to positive outcomes for all stakeholders.

By aligning effective human governance practices with strategic planning, the organization can:

- respond to organizational, regulatory and operational needs;
- anticipate and manage human resource risks;
- ensure associated costs are managed and the value of such investments is measured;
- develop an organizational culture which reflects its organizational values;
- foster increased management, effective communication and collaboration across all stakeholders;
- optimize overall performance.

The purpose of this document is to provide organizations with guidelines to structure a human governance system and align it to the needs of the organization.

This document provides guidelines for the alignment of relationships, roles and responsibilities within human governance systems, recognizing that these systems are fundamental for directing behaviour within an organization.





# Human resource management — Guidelines on human governance

## 1 Scope

This document provides guidelines on tools, processes and practices to be put in place in order to establish, maintain and continually improve effective human governance within organizations.

This document is applicable to organizations of all sizes and sectors, whether public or private, for profit or not for profit.

This document does not address relations with trade unions or other representative bodies.

## 2 Normative references

There are no normative references in this document.

## 3 Terms and definitions

For the purposes of this document, the terms and definitions given in ISO 30400 and the following apply.

ISO and IEC maintain terminological databases for use in standardization at the following addresses:

- ISO Online browsing platform: available at <http://www.iso.org/obp>
- IEC Electropedia: available at <http://www.electropedia.org/>

### 3.1

#### **human governance**

system by which an organization is directed and controlled, taking into account the organization's stakeholders as well as human and social factors, at the highest and every level of decision making

## 4 Principles of human governance

Human governance principles refer to human governance domains relating to organizational, social and managerial choices.

They guide human behaviour within an organization and provide a framework to assist organizations in establishing and implementing human resource management practices that add value to the organization.

Management should formally consider and align human governance principles when establishing strategic organizational objectives and communicate these to stakeholders.

Underlying principles can include:

- a) fairness and transparency in the design and outcomes of the organizational processes and practices;
- b) openness in organizational processes, practices and outcomes;
- c) accountability to the organization's governing bodies, legal authorities and stakeholders.

Organization-specific principles can be embedded in:

- the organizational mission, vision, values and strategy;
- how the organization creates value for its stakeholders;
- the desired brand image to be communicated to external stakeholders;
- support for the long-term environmental and social sustainability of the organization;
- consideration of the organization's financial, human and other resources, including the organization's ethical and social responsibility goals and initiatives;
- how to balance the needs of the organization with those of stakeholders.

## 5 Roles, responsibilities, commitment and accountability

### 5.1 General

Effective human governance requires coordination, commitment and engagement at all levels of the organization. The highest level of commitment is demonstrated through integration with both business strategy planning and implementation. The guidelines in [5.2](#) to [5.4](#) provide critical roles and responsibilities within the management structure of traditional larger organizations. In organizations where the structure does not include management layers of this type, the guidelines apply to those who have ultimate decision-making responsibility.

### 5.2 The board

The board should:

- understand the role of the people within an organization in delivering value to organizational stakeholders;
- make a formal commitment to promote effective human governance;
- be accountable for managing the human governance system;
- monitor status updates on effective human governance and take appropriate actions.

NOTE The board is made up of elected or appointed individuals who are collectively responsible for the governance of the organization, making key strategic decisions and setting strategic policy.

### 5.3 Top management

Top management should:

- a) define its roles and responsibilities for effective human governance;
- b) encourage active participation of people at all levels;
- c) commit to and review the organization's mission, vision and value statement that underpins effective human governance;
- d) identify and agree on key performance indicators to be delivered by the organization's human resources;
- e) regularly review results of effective human governance by examining the reporting templates for human governance;
- f) develop a plan and reporting procedures to address deficiencies in the case of significant deviations;

g) enhance collaboration among stakeholders involved with human governance principles.

NOTE Top management refers to the person, or group of people, that directs, controls and makes decisions at the highest level.

## 5.4 Operational management

5.4.1 Operational management functions should:

- a) understand the roles and responsibilities of operational management for delivering human governance principles to stakeholders;
- b) participate in defining the objectives and metrics that contribute to effective human governance;
- c) integrate human governance principles and initiatives in performance objectives.

5.4.2 Human governance should ensure that:

- a) human resource management functions and practices are aligned internally and externally in accordance with the objectives and principles of the organization;
- b) implementation is managed consistently and appropriately at all levels of the organization;
- c) all persons with human governance roles and responsibility understand the human governance principles to which the organization subscribes and are held accountable for those systems and processes under their control;
- d) all persons with human governance roles and responsibilities meet the organization's criteria to ensure that they are competent and can fulfil their roles.

5.4.3 Although responsibility for the operation of human resource management processes may be delegated to individuals who have the appropriate resources and authority, top management retains ultimate accountability for human governance.

Top management should ensure that people within the organization understand:

- a) human governance principles and initiatives;
- b) the roles and responsibilities needed to comply with human governance initiatives.

Top management should ensure that the organization understands and appropriately monitors applicable stakeholder participation, recognizing that this is an integral part of the modern work environment.

Top management should retain human governance strategies and outcomes as documented information.

## 6 Aligning human governance with organizational needs

### 6.1 General

The following process enables an organization to strengthen its long-term value while enhancing its perceived brand image.

The organization should:

- a) determine how all human resource management functions, practices and processes bring value to the organization;
- b) identify goals and success measures within each function, practice and process;

- c) assess and align the functions, practices and processes with business or organizational goals;
- d) design a format for communicating and reporting the effectiveness of human governance.

NOTE [Annex A](#) provides examples of reporting templates.

## 6.2 Communication

The organization should establish communication methods to ensure that necessary information is disseminated to all levels of the organization, including internal and external stakeholders.

Organizational reports on human governance should describe the system and how it contributes to the long-term value of the organization. Information on roles and responsibilities should include a thorough analysis of the system, while a more concise, less-detailed report can be produced for top management.

Human governance principles and decisions should be retained as documented information that is available on request.

The following information should be communicated to appropriate stakeholders, including employees and top management:

- a) the organization's values, mission and vision statements (which should encompass human governance principles);
- b) a summary report.

NOTE [Annex B](#) provides examples of report templates to assist organizations.

## 6.3 Contents of human governance reports

### 6.3.1 General

Human governance reports should include sections on the needs of the organization, human governance practices and processes and analysis.

### 6.3.2 Needs of the organization

The needs of the organization section should include:

- vision, values, mission and strategy;
- key performance indicators for human governance linked to organizational needs (e.g. cost efficiency, innovative products, or customer relationships).

Based on the above, the organization should identify key success metrics essential to the human governance process of that organization (e.g. innovation, turnover, absenteeism, or client metrics).

Given the uniqueness of each organization, differing operating models of human governance exist. The management of human resource functions should be illustrated in an organizational structure chart, including associated reporting relationships.

NOTE [Annex A](#) provides an example of a general template.

### 6.3.3 Human governance functions, practices and processes

The following steps assist in identifying functions, practices and processes:

- a) determine human governance functions according to the organizational structure chart;
- b) define the objectives and metrics of how each level of human governance function will be assessed;

- c) assess and align the management of human governance functions;
- d) identify practices that are associated with each function and level of the organization;
- e) ensure practices are consistent with the objectives of each human resource function and management level of the organization;
- f) establish relevant metrics for each practice;
- g) define a range of acceptable results;
- h) identify the tools and processes for each practice;
- i) examine which human governance principles these tools and processes promote to employees and other stakeholders;
- j) promote interaction and engagement among stakeholders to collect and share feedback about goals and results;
- k) assess and identify human governance principles that should be communicated, and take corrective action if any of these principles are not being communicated.

NOTE [Annex A](#) provides examples of templates.

#### 6.3.4 Analysis

To assess the effectiveness of the overall human governance system within the organization, the activities that guide human behaviour in the organization should be analysed.

Initial analysis should:

- ensure that key performance indicators and metrics that have previously been used are still appropriate;
- examine the entire process for alignment and identification of gaps.

The following questions can be used to guide the final analysis.

- a) Are the functional objectives linked to organizational objectives?
- b) Do the functional metrics include key performance indicators?
- c) Are the functional objectives complementary to each other, or are they conflicting?
- d) Is there an objective or key performance indicator missing?
- e) Are existing key performance indicators aligned to current organizational objectives?
- f) Are the human governance practices in each function complementary or conflicting?
- g) Do human governance metrics include analysis of importance and frequency?
- h) Do employees and customers perceive that the organization is delivering its stated human governance principles?

## 7 Implementation

The following is a list of basic steps an organization should take to establish an effective human governance system:

- a) define human governance principles and confirm relevancy to the organization;
- b) develop a framework of human governance;

- c) articulate and align objectives for human governance systems with the business plan;
- d) identify and align any associated projects or initiatives used to implement, reinforce, review and maintain the human governance system;
- e) integrate human governance principles into all organizational communications;
- f) review the human resource management functions, practices and processes for alignment with human governance principles;
- g) encourage active participation across all levels within the organization;
- h) ensure that human governance principles are implemented and monitored using the metrics defined by the organization (see [6.3.3](#));
- i) clarify how to integrate human governance principles within the performance, culture and activities of the organization.

## **Annex A** (informative)

### **Examples of reporting templates for assessing human governance effectiveness**

#### **A.1 Template for organizational needs**

##### **Organizational needs**

**Organization vision statement:**

-----  
-----

**Organization mission statement:**

-----  
-----

**Human governance principles:**

1. -----
2. -----
3. -----
4. -----

**Organization strategy/value propositions:**

-----  
-----  
-----

**Key human governance objectives:**

-----  
-----  
-----

## A.2 Template for functional goals review

### Functional goals review

**Function 1** (state function here)

**Current objective(s)**

-----  
-----

**Objective measure(s)**

-----  
-----

**Target:**

-----

**Monitoring schedule:**

-----

**Results:**

-----

**Action steps:**

1. -----

2. -----

**Do these objectives/measurements contribute to meeting human governance objectives?  
If current objective/measure does not add information of value, how can it be reconfigured?**

-----  
-----  
-----



### A.3 Template for practice report

#### Practice report

**Function** (state function here). **Practice**

**Current objective(s)**

-----  
-----

**Objective measure(s)**

-----  
-----

**Target:**

-----

**Monitoring schedule:**

-----

**Results:**

-----

**Action steps:**

1. -----
2. -----
3. -----

**Do these objectives/measurements contribute to meeting human governance objectives?  
If current objective/measure does not add information of value, how can it be reconfigured?**

-----  
-----

## A.4 Template for value alignment

### Value alignment

**Functional area:**

**Practice:**

**Tools:**

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

**Process:**

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

**Other people/departments involved** (specify if final decision maker):

1. \_\_\_\_\_

2. \_\_\_\_\_

**Other complementary practices:**

1. \_\_\_\_\_

2. \_\_\_\_\_

**Value alignment:**

	Principle 1	Principle 2	Principle 3
Tool 1			
Tool 2			
Tool 3			
Process			

**Indicate if tools and process reinforce, detract or are neutral in relation to each human governance principle**

\_\_\_\_\_

\_\_\_\_\_

## Annex B (informative)

### Examples of report templates to assist organizations

#### B.1 Template for organizational goals and function summary report

	Corporate goal 1	Corporate goal 2
<b>Human governance area 1</b>	<ol style="list-style-type: none"> <li>1. Objective</li> <li>2. Objective</li> <li>3. Objective</li> </ol>	<ol style="list-style-type: none"> <li>1. Objective</li> <li>2. Objective</li> <li>3. Objective</li> </ol>
	<ol style="list-style-type: none"> <li>1. Objective measure</li> <li>2. Objective measure</li> <li>3. Objective measure</li> </ol>	<ol style="list-style-type: none"> <li>1. Objective measure</li> <li>2. Objective measure</li> <li>3. Objective measure</li> </ol>
	<ol style="list-style-type: none"> <li>1. Objective</li> <li>2. Objective</li> <li>3. Objective</li> </ol>	<ol style="list-style-type: none"> <li>1. Objective</li> <li>2. Objective</li> <li>3. Objective</li> </ol>
<b>Human governance area 2</b>	<ol style="list-style-type: none"> <li>1. Objective measure</li> <li>2. Objective measure</li> <li>3. Objective measure</li> </ol>	<ol style="list-style-type: none"> <li>1. Objective measure</li> <li>2. Objective measure</li> <li>3. Objective measure</li> </ol>

**B.2 Template for human governance functions and practices summary report  
 (for each function)**

Practice 1	Practice 2	Practice 3	Practice #
1. Objective 2. Objective 3. Objective	1. Objective 2. Objective 3. Objective	1. Objective 2. Objective 3. Objective	1. Objective 2. Objective 3. Objective
1. Objective measure 2. Objective measure 3. Objective measure	1. Objective measure 2. Objective measure 3. Objective measure	1. Objective measure 2. Objective measure 3. Objective measure	1. Objective measure 2. Objective measure 3. Objective measure

## Bibliography

- [1] ISO 30400, *Human resource management — Vocabulary*





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