



► Measuring progress on operations and performance

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This reference guide provides employers' and business membership organizations (EBMOs) with guidance on identifying and using quantitative indicators to measure their operations and performance. It supplements the *Guidance for Employers' and Business Membership Organizations to Position and Use Data as a Strategic Asset* handbook.

► Why measure progress?

The organizational journey of becoming more effective in the use and management of data starts with measurement. Positioning and using data as a strategic asset requires new ways of working, which are best achieved through intentional organizational change.

Identifying and using indicators, which are quantifiable metrics, to measure operations will enable departments (units or divisions) and staff members learn how to operate more effectively and efficiently. Consistent use of indicators will also help EBMOs reach their objectives and fulfil their mission.

► How to measure progress?

It is recommended to identify indicators that will offer insight about an EBMO overall and for each department's operations and performance. This can be a team or group effort involving the CEO and department managers and staff.

Different types of indicators offer different degrees of insight into aspects of an EBMO's operations and performance.

- **Lagging indicators** are measures that capture data on changes that have taken place. For instance, membership renewal (numbers or rate) tells you what has already occurred and whether members have chosen to renew or to leave.
- **Leading indicators** are measures that highlight an area of interest. Leading indicators can be helpful to track because they provide information on a possible negative trend in time to take corrective action. For example, an EBMO can measure membership commitment to detect whether members will renew their membership, which would help staff take proactive action to encourage those members to renew.

Many indicators are available from operations, but additional useful indicators can be created to address specific information needs.

- **Basic operations indicators** are available directly from existing quantitative operational data.
- **Calculated indicators** are calculated from existing internal and/or external quantitative data.
- **Generated indicators** are developed intentionally to provide insight into an area of interest.

EBMO departments, units or divisions can measure several indicators, as the following outlines.

Membership department, unit or division

- **Membership commitment:** How would you feel if you were no longer a member of [name of EBMO]?
- **Member promotion:** How likely are you to recommend membership to a peer in your industry?
- **Member retention rate:** Number of members renewing divided by number of members in past period multiplied by 100.
- **Membership growth rate:** ((Number of members in current period divided by number of members in previous period) minus 1) multiplied by 100.
- **Member representation in the formal sector:** Total number of (direct and indirect) members divided by total number of companies in the formal private sector.
- **Direct membership:** Total number of member companies and associations.
- **Indirect membership:** Total number of companies affiliated to sectoral or territorial association members.

Policy department, unit or division

- **Advocacy activity:** Number of policy or advocacy positions by an EBMO per period.
- **Evidence-based positions:** Number of policy positions linked to quantitative survey results.
- **Advocacy return on investment:** Number of government changes related to an EBMO's work divided by number of EBMO positions advocated multiplied by 100.

Communications department, unit or division

- **Member communications:** Number of member communications per period.
- **Website posts:** Number of website updates per period.
- **Social media:** Number of social media posts per period.
- **Outbound communications reach:** Number of recipients reached per period.
- **Inbound communications reach:** Number of (unique) visitors to website per period.

Training department, unit or division

- **Training events:** Number of training events conducted per period.
- **Training innovation rate:** New training offerings divided by total training offerings multiplied by 100.
- **Training reach:** Number of participants in each training per period.
- **Training expenses:** Amount of training expenses per period.

Research department, unit or division

- **Research activity:** Number of surveys or research initiatives conducted per period.
- **Members' survey response rate:** Number of members who filled in a survey divided by number of members contacted multiplied by 100.
- **Research issues identified:** Number of research issues identified per period.

Finance, administration and human resources departments, units or divisions

- **Subscriptions:** Annual amount of membership subscriptions.
- **Membership subscription rate:** Number of members that paid fees divided by number of total members multiplied by 100.
- **Average subscription revenue:** Total subscription revenue divided by number of member organizations.
- **Membership subscription coverage:** Total subscription revenue divided by amount of EBMO budget multiplied by 100.
- **Staff turnover rate:** Number of employees who leave divided by total number of employees multiplied by 100.
- **Staff dissatisfaction:** Number of complaints, concerns and negative feedback per period.

► Next steps

EBMOs are advised to identify and use as many indicators as is manageable. As the CEO, board members, managers and staff each learn how to use selected indicators, they can add or substitute indicators, depending on their needs.

It is important for the CEO, board members, managers and staff to be realistic about how often they will and can measure indicators. Periodic measurement provides useful

data on the trend of an indicator. This can shed light on whether its values are increasing, staying the same or decreasing over time, which can quantify the progress and performance of different parts of an EBMO.

Additional information to develop EBMO indicators (including key performance indicators) is available in Sections 7 and 8 and the annex of the ***Guidance for Employers' and Business Membership Organizations to Position and Use Data as a Strategic Asset*** handbook.

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