

November 19, 2012

Mr. Lee Webster
Director, HR Standards
HR Standards Secretariat
Society for Human Resource Management (SHRM)
1800 Duke Street
Alexandria, VA 22314

RE: SHRM-ANSI Investor Metrics Standard

Dear Mr. Webster:

The undersigned companies and trade associations represent thousands of large companies as well as thousands of other smaller businesses across a broad range of industries. We are writing to urge that the “Guidelines for Reporting on Human Capital to Investors,” (the “Investor Metrics standard”), the second draft of which is currently circulating for public review, be withdrawn and any further work on it be terminated. The standard is not being sought by institutional investors and is strongly opposed by the HR and business communities.

The opposition to the second draft of the investor metrics standard builds on the opposition generated by the first draft, as communicated to the Taskforce and to SHRM leadership. Several of the signatories to this letter submitted comments arguing that the first draft of the standard would require companies to release proprietary information and seeking the standard’s withdrawal. Separately, the senior executives of several companies sent letters to SHRM expressing their concern that the standard was contrary to the interests of the HR profession.

On October 25, 2012 shortly after the second standard was released, a meeting was held with representatives of the SHRM executive leadership, the head of the SHRM HR standards Secretariat, a co-leader of the taskforce, over 70 representatives from large companies and several trade associations. During the meeting the company attendees expressed their unequivocal opposition to the standard, deeming it both detrimental to business and HR interests and lacking credible support from investors. The meeting concluded with a show of hands for who opposed the standard and who supported it. There were no supporters. We will not repeat all of the arguments made during the meeting here, but in summary, we are asking for withdrawal of the standard for the following reasons:

- The metrics contemplated by the standard are not material to investors, nor are investors requesting the information, despite SHRM’s assertion that investors have a right and a need to know them.
- Public disclosure of HR metrics is not being requested by senior management of companies. In fact, when told about the standard, senior management strongly opposed establishing a standard for the public disclosure of this information.
- The cost of publicly disclosing these metrics would be excessive.

- Gathering, aggregating, standardizing and certifying the data is time intensive and costly.
- Substantial explanation is required to provide the context necessary to understand the meaning of most metrics (*e.g.*, engagement survey results), adding to already long corporate disclosures without substantially improving understanding of a company's operations.
- Disclosure of metrics does not benefit employees and could be used by competitors and others to the detriment of the company.
- The standard primarily benefits the consulting and training industries, rather than the HR community.
- The taskforce and working group responsible for the standard do not include sufficient levels of public company representation, resulting in a lack of true consensus among those most impacted by the adoption of the standard. This is inconsistent with ANSI requirements for consensus.

Given the significant concerns that the investor metrics standard has raised among companies, their trade associations and in the HR and corporate governance communities regarding the disclosure of confidential company data, and the fact that the information required to be assembled has not been shown to be material to investors or desired by them, **there is no benefit in continuing to develop or revise the standard.** For this reason, we ask that the standard be withdrawn entirely from consideration and any further work on it be stopped permanently.

Sincerely,

A.O. Smith Corporation
Adecco Group North America
Aetna, Inc.
American Hotel & Lodging Association
American Staffing Association
AMN Healthcare Services, Inc.
Applied Materials, Inc.
Avaya Inc.
Avery Dennison Corporation
CF Industries Holdings, Inc.
CHG Healthcare Services, Inc.
DTE Energy
E.I. DuPont de Nemours & Company
Eaton Corporation
Emerson Electric Company
Fifth Third Bank
Food Marketing Institute

Mr. Lee Webster
November 19, 2012
Page 3

Gap, Inc.
General Dynamics Corporation
General Electric Company
General Mills, Inc.
Helpmates Group of Companies
Honeywell International Inc.
HR Policy Association
IBM Corporation
Intel Corporation
Johnson Controls, Inc.
Kelly Services, Inc.
Kforce, Inc.
Lockheed Martin Corporation
Manpower Group
Marriott International, Inc.
McDonalds Corporation
Merck & Co., Inc.
Microsoft Corporation
Mortgage Guaranty Insurance Corporation
Motorola Solutions, Inc.
National Council of Chain Restaurants
National Investor Relations Institute
National Retail Federation
Northwestern Mutual
PepsiCo, Inc.
Pitney Bowes Inc.
Property Casualty Insurers Association of America
Randstad US
Retail Industry Leaders Association (RILA)
Robert Half International
Rockwell Automation, Inc.
Society of Corporate Secretaries and Governance Professionals
Temporary Office Personnel Services, Inc.
The Home Depot
The JFC Staffing Companies
The TemPositions Group of Companies
TrueBlue, Inc.
Tyco
U.S. Chamber of Commerce
UPS
Volt Workforce Solutions
Yoh

Mr. Lee Webster
November 19, 2012
Page 4

cc: Society for Human Resources Management
Henry G. Jackson, President and CEO
J. Robert Carr, Senior Vice President, Membership, Marketing and External Affairs
Deb Cohen, Senior Vice President, Knowledge Development
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Brian Kelly, Associate Leader, Measures and Metrics Taskforce
Laurie Bassi, Human Capital Reporting Standard Workgroup Leader
David Creelman, Associate Leader, Human Capital Report Standard Workgroup

Anne Caldas, Secretary ANSI Appeals Board (contact for ANSI Board of Standards Review)