

**This resource serves as a guide for some of the most relevant HR metrics.** You will be introduced to six key HR areas and their respective metrics and learn what each measures.



## RECRUITMENT AND TALENT

In this section, you will find a few of the most common recruitment efficiency metrics.

### Candidate acceptance rate

This metric indicates how many candidates offered a position in your organization accept the offer.

### Internal mobility

This metric measures how many vacancies were filled by internal talent over a designated period of time.

### Cost per hire

Cost per hire tracks how much it costs the company to hire new employees. It is calculated using the following formula: Total cost of hiring / Number of new hires.

### Performance distribution

This metric refers to levels of performance across the organization measured through self, peer, and leadership feedback.

### Early turnover

This metric indicates how many recruits leave in the first year. It is calculated using the following formula: Leavers / New hires.

### Succession coverage

This metric indicates the percentage of critical roles for which a current or future successor has been identified.

### Flight risk

This metric indicates the possibility of specific talent considering leaving the organization.

### Time to fill

Time to fill is the amount of time it takes a human resources team to fill an open position. It can indicate where HR teams can make process improvements. It can also demonstrate changes in the hiring market. It is calculated using the following formula: Sum (days to fill each open role) / Count (roles hired).

### Time to hire

Time to hire measures the amount of time it takes a human resources team to hire a selected candidate. Thus, it measures the speed and efficiency of your HR team and can be an indicator of competition in the hiring market. It is calculated using the following formula: Sum (days to hire selected candidate) / Count (roles hired).



# ENGAGEMENT AND RETENTION

In this section, you will find the most common employee efficiency metrics.

## Absenteeism

Absenteeism indicates the average number of days employees are absent in a given time period.

## Job satisfaction

Job satisfaction indicates self-reported levels of enjoyment and achievement that employees experience within their work.

## Benefit utilization

Benefit utilization indicates the percentage of adoption of organizational benefits offered to target employee groups.

## Retention rate

The retention rate indicates the number of employees within continued employment within a given time period divided by the number of total employees.

## Employee engagement

Employee engagement measures self-reported employee levels of willingness and commitment toward organizational goals.

## Turnover

Turnover indicates the number of employees who leave the organization within a given period of time divided by the average number of total employees. It is usually multiplied by 100 and indicated in %.

## Employee net promoter score

This metric measures employee satisfaction by indicating the number of employees who would recommend your company as a good place to work versus the number of employees who wouldn't.

It is often measured through the employee net promoter score (eNPS), a scale that ranges from 1–10, with 1–6 being detractors, 7–8 being passives, and 9–10 being promoters.

## Wellness

The wellness metric measures the percentage of utilization of wellness programs and initiatives.

## Financial wellbeing

Financial wellbeing is a measurement of garnishee orders to be executed.



# EFFICIENCY METRICS

In this section, you will find the most common employee efficiency metrics.

## Revenue per employee

Often used to compare companies within the same industry, this metric measures the total revenue for the last twelve months divided by the number of current full-time equivalent employees. It is also known as the revenue to employee ratio.

## Ratio of HR business partners per employee

This ratio measures how many HR Business Partners there are for each employee. An average ratio is .184 per 100 employees.

## Cost of HR per employee

This metric measures the total amount an organization spends on HR functions divided by the total number of employees.

## Payroll errors

There are a couple of metrics to measure the effectiveness of the payroll department and whether the desired outcomes are being achieved in a timely manner. One of these factors that could influence an employee's productivity is measuring payroll errors, including overpayments.

## Ratio of HR professionals per employee

This ratio measures how many HR professionals / HR business partners there are for each employee. A typical ratio for HR professionals varies between around 1.4 (in bigger organizations) to 3.4 (in smaller organizations) HR professionals per 100 employees.

## Leave liability

Leave liability (the amount of money an organization owes its employees) is essential to monitor over time. The organization needs to ensure it has sufficient reserves on its balance sheet to cover all leave owed to employees.

## HR service satisfaction

This metric measures service delivery satisfaction through employee feedback on HR services.

## Overtime

A common efficiency metric is overtime. It refers to the number of hours a full-time employee works that are outside their regularly scheduled hours.



# TRAINING AND DEVELOPMENT

See below for an overview of a few common training and development metrics.

## Time since last promotion

This metric looks at the number of months since an employee's last promotion within an organization.

## Training expenses

This metric measures the total cost of an organization's training programs. It is typically indicated by training expenses per employee, which are calculated by dividing the total costs of training by the total number of employees.

## Training completion rate

This metric refers to the number of employees who complete every module of a training program. It is often indicated as a percentage.

## Training spend as a percentage of payroll

This metric looks at the percentage of training spent in relation to payroll costs.

## Training effectiveness

There are multiple different ways to measure training effectiveness, e.g., pass or fail rates, scores, training completion rates, or dropout rates.

## Promotion rate

The promotion rate provides information on the frequency of promotions within the organization. It is calculated by summing up the total amount of time between promotions for all employees and dividing it by the number of employees.

## HR service satisfaction

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## Overtime

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## HEADCOUNT METRICS

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See below the most common headcount metrics.

### **Demographics**

Demographics typically refer to the race, age, and gender of the workforce.

### **Total FTE**

Total FTE refers to the total size of the workforce.

### **Level**

Another headcount metric is the seniority level of employees. There are junior, managerial, and executive levels.

### **Workforce composition**

Workforce composition refers to the number of permanent employees vs. contractors versus gig-workers that are employed by the organization.



## HR DIGITAL SOLUTION ADOPTION

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Effectiveness of HR software is the most common HR digital solution adoption metric.

### **Effectiveness of HR software**

This metric looks at what software works well for employees (e.g., learning management systems or leave systems). It can be measured by the percentage of employees that utilize available HR digital solutions.