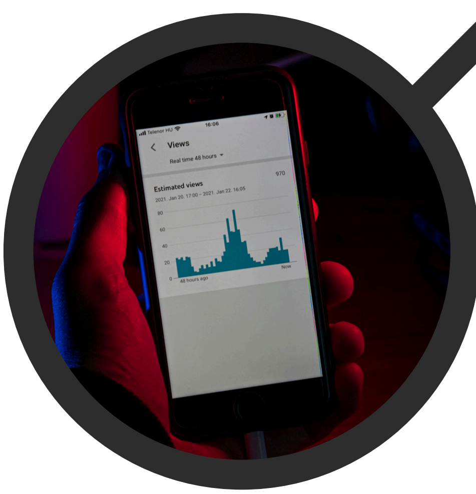
Key HR Metrics



Important Metrics to Track

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WHY DO HR METRICS MATTER?

Your HR metrics can help you get a good idea of your company's:

- **performance**
- **culture**
- **growth**
- **needs, and**
- **overall success**

These metrics offer valuable insights that can help you shape the future of your business.

HR metrics not only evaluate your current company results, but also provide a foundation for future planning. With the right metrics you can:

- make **data-driven prediction**s on future workforce needs or cultural shifts
- **Optimize decision-making** for designing or improving strategies
- **Demonstrate ROI** for initiatives designed to meet business goals

HR metrics are a strategic asset for improving efficiency, driving growth, and ensuring long-term success.

TRACKING METRICS BEST PRACTICES

When choosing metrics to track and share, choose those that contribute to informed decisions.

Review company goals and needs to determine which metrics will help with planning and which will provide actionable insights.

Consider who you are sharing these metrics with as well. Only choose the data points that have relevance to these people.

HR metrics should be measured regularly to ensure you are meeting your goals.

Consider the time you have to to collect and analyze the data. Consider also the needs of the company to determine the frequency of measuring your chosen metrics.

COMPANY CULTURE METRICS

Your company culture metrics allow you to measure the health of your company culture. You can gain insights about employee satisfaction and how well your company is able to retain the employees you need.

Employee Turnover Rate:

The employee turnover rate measures the percentage of employees leaving during a specific period.
(people who have left / total number of employees) * 100 = Turnover Rate

Employee Satisfaction:

Employee satisfaction reviews satisfaction rates with different factors such as work environment, roles, and teamwork.
Use employee surveys or one-on-one notes to review employee satisfaction

Employee Net Promoter Score (eNPS):

eNPS measures the likelihood of employees recommending your company to others.
Use surveys to measure eNPS

Employee Retention Rate:

Employee retention rate is the opposite of turnover rate. This provides a percentage of employees who remain at your company for a given period.
(employees remaining / previous employee count) * 100 = Retention Rate

HIRING METRICS

Hiring metrics give you an idea of the ROI of your hiring practices. This helps you optimize and plan for future hiring to help find the best talent to meet your company needs.

Cost per Hire:

Cost per hire determines the cost of hiring new employees based on factors such as advertising cost, training cost, etc.
Total Hiring Cost / Number of Hires = Cost per Hire

Time to Hire:

Time to hire calculates how long it takes to fill a vacant spot.
add days to hire per position / number of hires = Time to Hire

Employee Growth Rate:

Employee growth rate determine whether a company is growing.
initial # employees - ending # employees/ initial # employees * 100 = Growth Rate

Demographics:

Demographics review employee characteristics represented in your company to ensure you are practicing diverse hiring.
Collect and analyze characteristic information about employees to determine demographics.

EMPLOYEE SKILLS METRICS

Employee skills metrics give you an overview of how prepared employees are to meet current and future needs. This also provides insights into training needs and cost of training.

Training Effectiveness:

Training effectiveness reviews how effective your training programs are based on employee performance and skill development.
Conduct surveys or calculate ROI on financial increase / training cost to determine training effectiveness

Training Completion Rate:

Training completion rate determines the percentage of employees who complete available training programs.
(# employees completed / # employees scheduled) * 100 = Training Completion

Skill Gaps:

Skill gap analysis determines which skills are lacking and skills needed for the future.
Review skill needs and performance reviews to determine what skills need to be developed.

Employee Promotion Rate:

Employee promotion rate shows the percentage of employees promoted during a period, giving an idea of employee skill levels and company growth.
(# promotions / # employees) * 100 = Promotion Rate

Average Time to Productivity:

Time to productivity determines how long it takes new hires to reach ideal productivity.
Calculate # of days between hire date and prime productivity date, then compare to the company averages to determine Time to Productivity.

EMPLOYEE PERFORMANCE METRICS

Employee performance metrics gives an overview of how well employees are meeting KPIs and how effective your teams are towards company goals.

Employee Engagement:

Employee engagement reviews how engaged employees are in the workplace. There are multiple ways to measure **Employee Engagement.**

Revenue per Employee:

Revenue per employee determines an estimate of the revenue generated by employees.
Total Revenue / # Employees = Revenue per Employee

Employee Performance Markers:

Employee performance markers provide a breakdown of individual performance for a given time.
Use self-assessments, peer reviews, manager assessments, or a combination to assess employee performance.

High Performer Markers:

High performer markers helps determine who your high performers are in the company.
Review KPIs, output, and quality of work to determine High Performers.

COMPENSATION METRICS

Compensation metrics help you review your compensation packages to ensure you are providing competitive compensation to attract the right people.

Salary Comparison:

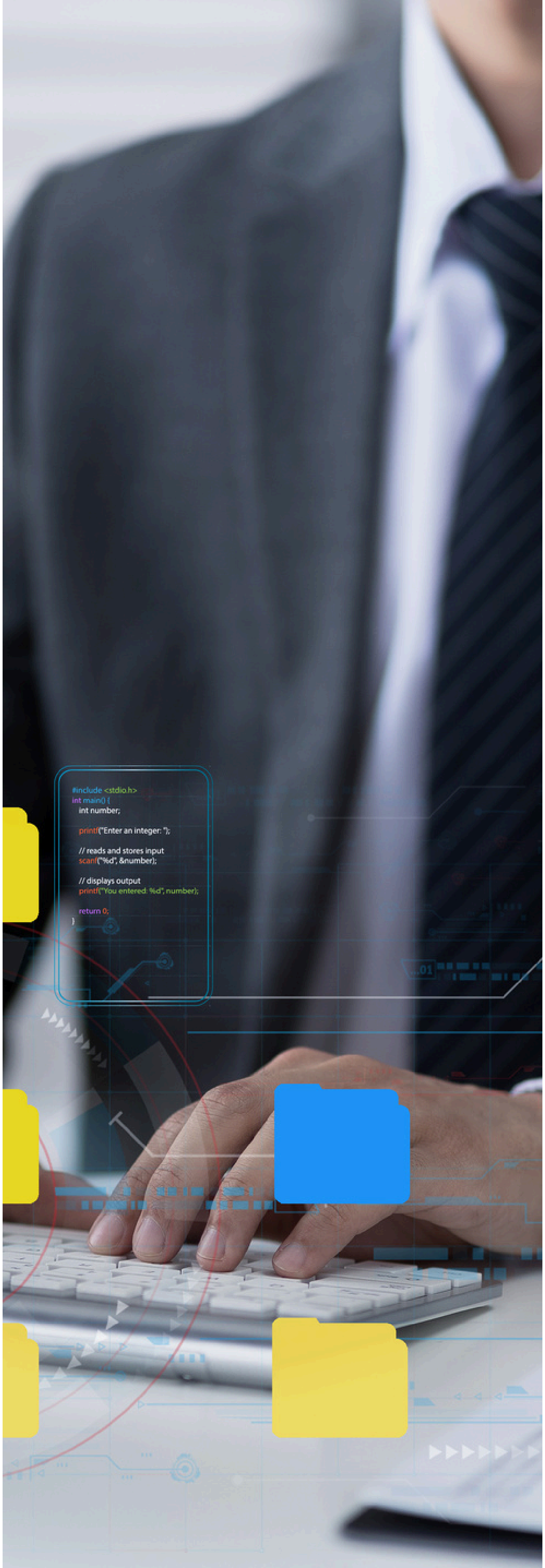
Salary comparisons allow you to compare company salary ranges to market standards to ensure you provide competitive salaries.
Review market averages and company pay philosophy against current salary ranges to determine salary comparison.

Comparative Ratio:

Comparative ratio measures current salaries against market midpoints to determine how employee salaries compare.
(individual salary / market midpoint) * 100 = Comparative Ratio

Range Minimum, Midpoint, Maximum:

Ranges provide a pay scale to follow for determining employee starting, climbing, and maximum wages within the company.
Calculate midpoints based on market averages, then calculate minimum and max amounts based on scales between.



CHOOSING THE RIGHT METRICS FOR YOUR COMPANY

This is a small sample of the metrics available to help you review your company's performance and health. These are the most common metrics used to help direct decisions.

The metrics you focus on will depend on your company goals, needs, and future growth predictions.

The most important thing is to use these metrics to provide actionable insights moving forward.

Collecting this important data does no good unless you put it to action. Use your chosen metrics to help make decisions about future hiring, training, and other initiatives designed to help your business grow.

HR Service, Inc. is available to help you review your current HR practices to determine how to best use your metrics for company growth and success. **Contact us** to discuss your HR, compliance, and employment law needs with one of our compliance coaches.