



Measuring HRM: 25 HR Metrics

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Why to measure?

- Control
- Communication
- Improvement

1. Recruitment Metrics

| Metric | Formula | Increase/Decrease |
|-------------------------------------|--|-----------------------|
| 1. Time to Fill | Date when applicant accepts the job offer – Date of delivery of an approved requisition to staffing | decrease |
| 2. Time to Hire | Day candidate accepted offer – Day candidate entered the pipeline | decrease |
| 3. Cost of Hire | $\frac{\text{Total recruitment cost}}{\text{Total \# of hires}}$ | decrease |
| 4. Recruitment Funnel Effectiveness | $\frac{\text{\# of applicants who successfully completed the stage}}{\text{Total \# of applicants who entered the stage}}$ | increase |
| 5. Percentage of Open Positions | $\frac{\text{Total \# of open positions}}{\text{Total \# of position in the organization}}$ | increase/ decrease |

2. Maintaining a Safe Environment Metrics

| Metric | Formula | Increase/Decrease |
|--|--|-------------------|
| 1. Reported Accidents per Employee | $\frac{\# \text{ Accidents}}{\# \text{ employees}}$ | decrease |
| 2. Lost Time Injury Frequency Rate (LTIFR) | $\frac{\# \text{ Lost Time Injuries}}{1,000,000 \text{ hrs worked}}$ | decrease |
| 3. Lost Time Injury Incidence Rate (LTIIR) | $\frac{\# \text{ Incidents}}{\# \text{ employees}} * 100 (\%)$ | decrease |
| 4. Average Overtime Hours Per Employee | $\frac{\text{Total Overtime Hours}}{\# \text{ employees}}$ | decrease |
| 5. Productive Days Ratio | $\frac{\text{Available days} - \frac{\text{Days lost due to health and safety reasons}}{\text{Available days}}}{\text{Available days}} * 100 \%$ | increase |

3. Employee Relations Metrics

| Metric | Formula | Increase/Decrease |
|---|---|-------------------|
| 1. Employee Satisfaction Index (ESI) | $\frac{\text{Question mean value}}{3} * 100\%$ | increase |
| 2. Percentage of Employees' Complaints | $\frac{\# \text{ Complaints}}{\# \text{ Employees}} * 100 (\%)$ | decrease |
| 3. Percentage of Low-performing Employees on a Performance Management Program | $\frac{\# \text{ Low performing employees}}{\# \text{ Employees on program}} * 100 (\%)$ | decrease |
| 4. Low-Performing Managers Turnover | $\frac{\text{New employees} - \text{Low-performing employees who left}}{\text{Average \# employees}} * 100\%$ | increase |
| 5. Percentage of Employees Who Improved level of Performance | $\frac{\# \text{ Emoloyees who improved on performance level}}{\# \text{ Employees}} * 100 (\%)$ | increase |

4. Compensation and Benefits Metrics

| Metric | Formula | Increase/Decrease |
|---|---|-------------------|
| 1. Market Index | $\frac{\text{Internal average pay} - \text{Survey rate}}{\text{Survey rate}}$ | decrease |
| 2. Bonus Pay Percent | $\frac{\text{Bonus Pay}}{\text{Compensation}}$ | increase |
| 3. Marginal Benefit | $\frac{\text{Change in Total Benefit}}{\text{Change in Quantity}}$ | increase |
| 4. Salary Range Penetration | $\frac{\text{Salary} - \text{Minimum Salary}}{\text{Maximum Salary} - \text{Minimum Salary}}$ | decrease |
| 5. Health Care Expense per Current Employee | $\frac{\text{Total HI paid by Company} - \text{Employee contribution to HI}}{\text{Total \# of Employees}}$ | increase |

5. Learning and Development Metrics

| Metric | Formula | Increase/Decrease |
|--------------------------------|--|-------------------|
| 1. Training Spend per Employee | $\frac{\text{Total training costs}}{\# \text{ of employees}}$ | decrease |
| 2. Innovation Success Rate | $\frac{\# \text{ (or value) of successful products or process ideas}}{\text{total \# of suggestions}}$ | increase |
| 3. Training Participation Rate | $\frac{\# \text{ of employees trained}}{\text{total \# of employees}} * 100\%$ | increase |
| 4. Training Efficiency | $\frac{\text{training effectiveness}}{\text{training expenses per employee}}$ | increase |
| 5. Readiness | $\frac{\text{Vacant Positions}}{\text{Total Positions}} * \frac{\text{Employees with Desired Competency Rating}}{\text{Total Assessed}} * 100$ | increase |

Conclusions

- ▶ Most metrics are ratios (per employee, per time interval);
- ▶ 'Positive' & 'negative' metrics.

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