

Helpful Human Capital Metrics to Get Started

Here's a few common HR metrics and some considerations about them to help get you started.

Metric	Things to Consider
Turnover	Turnover by itself isn't always helpful other than seeing if it's getting better or worse. Where it becomes strategically useful is if you can break it down into smaller groups such as location, department, job or supervisor. Just make sure your groups aren't too small to be useful. Also look at turnover based on length of service at the time of separation. It can be useful to see if there are patterns as to when in the employee life cycle people choose to leave.
Talent Source	It's valuable to know where people you hire heard about you so that you can maximize your reach. Where it can start to really drive your HR strategy is if you can tie referral source back to something like tenure or employee performance. For example, if all your top performers are coming from the same college recruiting event, it's worth focusing on event if that's only a small one.
HR Operations	HR has many tactical things that must get done. People must get paid; benefit enrollments need to be processed, leave requests need to be evaluated. Consider looking inward at the day-to-day HR items and measuring those. It can both illustrate HR value and provide you with valuable information on your own staff budgetary needs
Compa-ratio	This one is a little more complicated to get started with, especially if you don't have defined pay grades. However, it can be invaluable to evaluating pay equity across the organization when linked to education, tenure and performance.
Cost to Hire	This is one that a lot of people measure and it is especially useful to encourage leadership to invest in retention rather than paying to replace people. However, it's often difficult to have an impact on, as there are factors outside of your company's control, especially advertising price inflation and candidate pool size, so be sure to keep the focus less on how this changes vs. how you use it to drive retention.
Absence Rate	There will always be unscheduled absences but this is another good metric to look at with a view towards patterns and trends. Look for pockets of notably high absence rates across the company or seasonal trends that you don't expect.
Employee Incidents	This could be injury related or performance related. It can be useful to watch for trends, especially if you are in an industry where injury tracking can be tied to worker's compensation costs.
Employee Engagement	The key on employee engagement surveys is to make sure that you have enough support from leadership to make changes based on the outcome. Nothing will damage your engagement process more than employees feeling that the survey never results in meaningful changes.
HR Financial Impact	HR often struggles to demonstrate how it helps the bottom line. Including things like Work Opportunity Tax Credit optimization or other direct financial impacts of HR is often useful to show your fellow leaders.
Exit Interviews	It's helpful to understand why people are leaving your organization. In person interviews tend to lead to the best data but can be very time consuming. Surveys are another option but participation may be limited and needs to be reviewed to ensure that it does not skew your analysis. In either case, it is best practice that you keep the questions structured to allow for better analysis.

