HR Metrics (based on Functional Areas)

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Metrics Introduction

Included in this Job Aid are suggested metrics for each of the HR functional areas. Several important points should be noted about the use of metrics in HR and Human Capital management.

First, metrics are only truly useful when they provide a basis for analysis. They should not be used separate of analysis for any purpose other than compliance reporting, and even then it is encouraged that a thorough analysis of the data accompanies the reporting to insure a fuller understanding. Applying basic statistical techniques, doing dimensional segmentation, and/or trending one metric to another, or to a target or benchmark is sufficient to turn metrics into analytics and information into insight. It is the insight that produces value, not the metric itself. Reporting is insufficient, and it could be argued a complete waste of time. Analysis is necessary and critical.

Second, the primary purpose of analytics is to support and improve decision making. Any metric that does not lead to action is not worth the time and effort to calculate and report it. Typically today HR departments overproduce data and information yet provide little to no insight that achieves this primary purpose. Less is more when it comes to metrics and analytics.

Third, identify the appropriate audience for each metric. Many metrics are useful to those responsible to manage an HR process because they provide insights into process improvement opportunities. But these metrics may not be useful or important to line management. Other metrics successfully illuminate risks to organization success and therefore provide valuable insight to your executive team. Don't waste anyone's time with metrics or analytics that are not relevant to their responsibilities and decisions.

Fourth, with most metrics there is no one defined desirable outcome. Organizations must set desired outcomes, or targets, for metrics that align with organization strategy, goals, and objectives. The target must be such that it reasonable leads to organization success.

Finally, identifying the handful of analytics that connect Human Capital management to organization strategy and key goals and objectives is the most important step you can take in making metrics meaningful to your organization. SHRM's course on Critical Evaluation: Building HR Metrics to Guide Decisions shows you how to do this.

Strategic Management

Return Analyses

Break-even Point The point in time when costs invested in developing or improving an HR program is equal to or greater than the returns. In other words, the break-even point is reached when returns to-date are equal to investments.	**Formula** Development cost/Annual return **Example** A new on-line training program has a development cost of $100,000. It is expected to generate a return of $50,000 in reduced delivery costs each year. *Break-even point = $100,000 / $50,000 = 2 years*
Cost-Benefit Ratio How the Benefits of a program or activity relate to the Costs associated with developing and executing that program or activity. When you are calculating Costs for any HR program be clear as to what you have included. In our example here we have included the salary + benefit costs for a new program lead and the use of a consultant to help develop the new program and make the systems changes to our HRIS necessary to capture Successor and High Potential identification. We have not included the cost of the time of managers and HRBPs to participate in the program.	**Example** The new succession management program will produce a savings of $500,000 in reduced search firm fees over the targeted time frame (2 years) and will cost $250,000 to develop and manage over that same period. Cost-benefit ratio = $500,000:$250,000 = 2:1 Total Cost-Benefit ratio is 2 to 1.

ROI (Return on Investment) The return on a company's monetary investment in a new program or activity or change to a current program or activity. The measurement of ROI can be calculated in several ways. If your organization has a standard formula, it's best to use that formula. If not, this formula can work for most situations. Anticipated Benefits can be ascertained by looking at potential reductions in the costs of administering and delivering the program (e.g., reduced vendor fees, lower headcount needed to administer), increases in productivity or reductions in costs enabled by the methodology or other aspect of the program (e.g., less time away from work and reduced travel expenses by putting a program on-line), and improved outcomes (e.g., reducing turnover and employee relations issues, and increasing employee productivity with a better leadership program). Quantify these benefits as much as possible. Costs and Benefits must be calculated for a set period of time that represents a reasonable life time for the program. A complete ROI analysis should also highlight those benefits that cannot be financially quantified but still represent desired outcomes.	Formula ((Anticipated Benefits – Total Development Cost of Program)/ Total Development Cost of Program) x 100

HR Management

HR Expense to Revenue Ratio This information is useful for fiscal budgeting. To have this for each fiscal year creates a standard for projected budgeting costs for each year on HR expenses. HR Expenses should include outsourcing expenses.	Formula Total HR Expenses ÷ Revenue
Percentage of exceptions processed for payroll, benefits, promotions, and other HR This metric is helpful to understand the amount of special effort required to process benefits, promotions, and other HR transactions that are out of the standard protocol.	Formula Total number of exceptions processed by HR ÷ all HR transactions
HR-to-Employee/Worker Ratio The HR-to-Employee ratio and HR-to-Worker ratios provide a way to compare HR staffing levels across and within organizations. It represents the number of HR staff per 100 employees/workers supported by HR in the organization.	Formula (HR FTEs ÷ total number of FTEs in the organization) x 100 (HR FTEs / total number of workers supported by HR) x 100
Percentage of HR Staff in Supervisory Roles This is useful in determining span of control within HR.	Formula Number of HR staff in supervisory positions ÷ total number of HR staff

Percentage of HR Staff in Professional and/or Technical Roles This is very useful, especially for issues such as budgeting in regards to FLSA. Generally positions are exempt, only allowing straight time for overtime if allocated. If overtime is warranted, this would need to be assessed for the year's budget. Positions in this category may be called recruiter, benefits administrator, HR generalist, etc.	**Formula** Number of HR staff in professional technical positions ÷ the total number of HR staff
Percentage of HR Staff in Administrative Support Roles Often, but not always, positions in this category are non-exempt. They may be called coordinator, assistant, etc.	**Formula** Number of HR staff in administrative support positions ÷ by the total HR staff
HR Expenses Human resource expenses represent HR's total costs for a given fiscal year.	**Formula** No further computations are required beyond what is listed for the completion of this metric.
HR Expense to Operating Expense Ratio This ratio depicts the amount of HR expenses as a percentage of total operating expenses, which is an indication of the proportion of dollars an organization invests in its HR function.	**Formula** Total HR expenses ÷ total operating expenses
HR Expense per FTE/FTW HR expense by FTE/ FTW ratio represents the amount of human resource dollars spent per FTE or FTW in the organization. FTWs include employees and non-employee workers (temps, contractors, interims) supported by HR.	**Formula** HR expenses/ Total number of FTEs or FTWs

Financial Management

Revenue per Total Human Capital (HC) $pend The total amount of revenue received during an organization's fiscal year divided by the total spend on Human Capital. This ratio conceptually links the costs associated with the firm's human capital to its productivity. If the revenue-per-THCS ratio increases, it indicates that there is greater efficiency and productivity because more output is being produced per $ spent on human capital. If the ratio decreases, it indicates there is less efficiency and productivity. Total Human Capital Spend should include wages, benefits; independent contractors, temps and other non-employee workers; and, HR program costs (non-staff) including outsourcing.	**Formula** Revenue ÷ Total HC $pend

Total Human Capital (HC) $pend to Total Operating Spend Ratio Comparing total HC spend to the organization's total spend on all operating expenses, including human capital, shows the organization's relative prioritization regarding operational expense priorities and needs. Changes in this ratio can also show the relative changes in efficiency and productivity between operating expense areas, like IT, real estate, and human capital. It is also useful for budgeting purposes.	**Formula** Total HC Spend/ Total Operating Spend
Revenue Per FTE The Total Revenue divided by the number of FTEs. This ratio conceptually measures the efficiency and productive use of human capital because it links the time and effort associated with the firm's human capital to its revenue output. If the revenue-per-FTE ratio increases, it might indicate that more output is being produced per FTE. However, if it increases due primarily to major declines in FTEs from involuntary staff reductions or increased outsourcing, this may be misleading. The metric can temporarily look like increased efficiency or productivity. If revenue is not sustained over time with the lower staff levels then productivity and/or efficiency have not actually improved.	**Formula** Revenue ÷ number of FTEs
Earnings before investments and taxes (EBIT) per FTE EBIT per FTE is a better measure of the efficiency and productive use of human capital because it incorporates the operating costs involved in productivity improvements, like investments in IT. Increasing revenue, lowering expenses, reducing employees, and increasing worker productivity have a positive impact on this metric. This metric can be improved further if you use Total FTE's vs Employee FTEs since Total FTEs incorporates the productivity contributions of the contingent element of your workforce.	**Formula** EBIT ÷ number of FTEs
Earnings before investments and Taxes per Human Capital Expense EBIT per FTE is the best of the three measures of human capital efficiency and productivity because it incorporates all human capital expenditures, including compensation, benefits, talent development, outsourcing and contingents. Increasing revenue, lowering expenses, and increasing organization productivity have a positive impact on this metric.	**Formula** EBIT ÷ total human capital expense
Productivity Describes the relationship between real output and the amount of labor time involved in its production.	**Formula** Revenue/ Labor hour

Workforce Planning and Staffing

Staffing

Contingent Representation Rate Degree of contingent staff within your total workforce. Establishing targets for this metric monitoring it will tell you if you are complying with the contingent vs employee organization balance you have determined Is optimal for the accomplishment of organization goals and objectives, including human capital and operating expense targets.	**Formula** (Contingent headcount FTEs/ Total Workforce FTEs) x 100
Time-to-Start Average number of days it took to fill a position. This metric typically includes positions filled by both external and internal hires. Starting with the day the position became available – which can be the date of resignation of the prior incumbent or the day the position received budget approval or simply when the hiring manager communicated that he/she was ready to fill the position - rather than when a requisition is received by HR, and ending with start date vs date filled, show a more organization vs HR focus; and, help show whether activities outside HR are helping or hindering efficient hiring. Sub-metrics within this metric which can be measured to help improve process elements include Time to Approval, Time to 1st Interview, Time to Offer, and Time to Fill. You should measure Time to Start for both External Hires and Internal Hires. You need agreement on whether you are counting calendar days or working days, and whether you minus days that recruiting is suspended.	**Formula** (Total days elapsed from the date each filled position was available to the date each new person started in the position) / Number of positions filled
Time-to-Productivity Average number of days to satisfactory productivity. This metric typically includes positions filled by both external and internal hires. You need agreement on whether you are counting calendar days or working days, and whether you minus days that recruiting is suspended. Organizations are finding unique and simple ways to identify the date of minimal acceptable productivity from using manager self-service reporting to very brief surveys (often just one question) that are set to automatically check in with hiring managers weekly until they receive a positive response. This metric is crucial since it reflects the organization's need for productivity vs just having a person in the job. Outcomes with this metric can reflect on the quality of your recruitment, selection, onboarding, and management of new employees.	**Formula** (Total days elapsed from the date each filled position was available to the date each new person achieved satisfactory productivity) / Number of positions filled

Turnover Rate Rate at which employees are leaving the organization in a given time period. It is suggested that Turnover be categorized as Employer Intended vs Employer Unintended, and the latter category be further divided into Voluntary and All Others. The objective of measuring turnover is to determine where and when the organization has risk of losing talent that it doesn't want to lose, and to determine how to mitigate that risk. Therefore identifying Employer Intended separations segments out of that risk analysis terminations for poor performance or cause, layoffs or job eliminations, acceptance of early retirement offers, etc. which are irrelevant to identifying and mitigating the risk. Identifying Voluntary (resignation and retirement) separately from other Employer Unintended, like death, incarceration, job abandonment, refusal to accept new assignment, etc. also helps to focus our risk analysis. The Voluntary category is the most relevant to the Turnover risk analysis. Turnover of New Hires and Failure to Start Rate are also good metrics for Staffing professionals to be measuring. Other Turnover subgroups are important to other areas of analysis and decision making. For example, Turnover of Poor Performers can provide insight into the effectiveness of your Performance Management. Turnover rates are also useful inputs into Workforce Planning. The reporting of overall turnover is no longer considered best practice. This metric is unlikely to inform and improve decision making. Focus on key employee populations: Top Performers, New Hires, Poor Performers, Successors, High Potentials, Key Positions, High Risk Employees. These are the groups worth acting on if Turnover becomes unacceptable.	**Formula** (Number of separations during the time period ÷ average actual number of employees during the time period) x 100 Time periods – typically year, quarter, month, pay period
Cost of Turnover and Cost per Turnover The average direct monetary costs associated with a position that was vacant due to turnover and is refilled. Costs include separation pay, payables to temps and contractors, overtime pay to other employees to cover, and staffing costs for replacement hiring. It should be noted that this metric does not reflect significant non-direct costs like loss of revenue, damage to customer relationships, and temporary or long-term productivity and performance differentials.	**Formula** Total of the costs of separation + vacancy + replacement Turnover costs/ # of positions filled due to separation

Turnover Impact and Impact per Employer Unintended Separation Total and Average Experience Lost due to Employer Unintended turnover.	**Formula** Total years of experience of all Employer Unintended separations Turnover Impact/ Number of Employer Unintended separations
Cost Per Hire Average cost incurred with an external hire. Total costs should include the sum of all direct costs (e.g., advertising, hiring events, agencies, search firms, employee referral programs, onboarding and travel for applicants and interviewers) incurred in attracting and hiring employees. Some organizations also include relocation costs, interviewer pay, and staffing department operating expenses. If the HR interviewers have other responsibilities like internal hiring or generalist duties then pay would need to be pro-rated for the time involved in external recruiting. If you include management interviewers you would also need to pro-rate pay since they have many other duties.	**Formula** Total costs related to all external hires/ Number of external hires
Vacancy Costs and Cost per Vacancy Total and average direct costs resulting from vacant positions. It should be noted that this metric does not reflect significant non-direct costs like loss of revenue, damage to customer relationships, and temporary or long-term productivity and performance differentials.	**Formula** (Total of the costs of temporary workers + independent contractors + temporary outsourcing + overtime) - wages and benefits not paid to vacant positions Vacancy Costs/ # of vacant positions
Vacancy/Occupancy Rate Measures the percentage of approved positions that is unfilled or filled at a given time. Positions may be vacant due to turnover or because they are new and have never been filled. These measures are particularly important for key positions, e.g., strategic jobs, time consuming and expensive to fill jobs, critical project staff.	**Formula** (Total number of vacant or occupied positions ÷ total number of approved positions) x 100

Retention Degree to which an organization is retaining key employees. As an example, this can tell you what the retention rate of University Relations hires is at 1, 3, and 5 years of service and whether the rate is different for different Universities or for those that interned with your organization vs those that did not.	**Formula** # of employees in the selected group employed at the designated time/ # of employees in that selected group originally
Yield or Selection Rate Measures efficiency of each stage in the staffing process. The dilemma with Selection or Yield rates is determining what is a good vs a bad outcome. Using our example, is a rate higher than 50% better since it might indicate that you attracted more qualified resumes or is a rate lower than 50% better since it might indicate that your assessment is better and you've really narrowed down to the best possibilities therefore saving time and effort during the remainder of the process. While this measure could be helpful in finding a way to improve process efficiency, It should be noted that efficiency is less important than effectiveness.	**Formula** Percentage of persons moving to next stage/ number of persons at prior stage. **Example** 100 resumes received, 50 found acceptable = 50% yield
Offer Rate Percentage of applicants interviewed that receive offers.	**Formula** (Total number of candidates offered ÷ number of candidates interviewed) x 100
Offer Decline Rate Percentage offers extended that are declined. It is suggested that data be tracked and measured as to the reasons for offer declines so that action may be taken to mitigate this outcome. This metric provides insight into the frequency with which you are not hiring the top candidate or are starting a search over. It may also be helpful in identifying areas where your total compensation may not be market comparable, your organization not as well regarded as competition, your selling of the job and organization not effective, or your matching of applicant to job not accurate. It is important to capture and understand the specific reasons for the decline – not just "accepted other offer".	**Formula** (Number of offer declines ÷ number of offers extended) x 100
Promotion Rate Average rate at which employees are promoted. Organizations must first define 'promotion'. In many companies a promotion requires a change in position as well as pay grade. This serves to eliminate job re-evaluations that change an employee's grade due to changes in market conditions not changes in duties and responsibilities.	**Formula** (Number of promotions ÷ number of eligible employees) x 100

Retirement Risk Talent loss risk related to retirement. It's best to focus your analysis of retirement risk on individual or groups of key employees where the quality of the loss is relevant. However don't forget that looking at it by job and organization structure can also reveal risks based on sheer quantity. Trending Retirement Risk with Retirement Rate (actual retirements/# of employees eligible to retire) can tell you how risk and reality relate. Understanding what % of your eligibles is actually retiring is extremely relevant to assessing your risk.	**Formula** (# of employees eligible to retire/ # of employees) X 100

Talent Management

Development

Readiness Reflects how ready the organization is from a human capital perspective to execute on strategy and achieve key goals and objectives. Readiness is a function of Occupancy (the rate of the approved positions being filled) and Competency (to what degree do incumbents have the competencies to achieve performance objectives). It is recommended that you only calculate Readiness for those positions that are critical to the execution of strategy and the accomplishment of key goals and objectives.	**Formula** (Occupancy Rate (see Staffing) x Competency Rate (see Training)) X 100
Competency Rate Degree to which employees in key positions have the competencies necessary to achieve their performance objectives.	**Formula** (# of incumbents with competency ratings of Acceptable or better/ # of incumbents who have received competency assessments) x 100

Training

Training Participation Rate Percentage of employees who participated in company paid training.	**Formula** (Number of employees who participated in at least one company paid training activity/ Number of employees eligible for training) x 100

Training Spend Rates Relative importance of spend on training vs other operating and human capital activities. The importance is derived by comparing these metrics to your unique targets since various circumstances drive what is optimal for any one organization.	**Formula** (Training spend/ Total Human Capital Spend) x 100 (Training spend/ Total Operating Spend) x 100
Average Training Spend The monetary investment in training at an individual level. The expenses should include all direct training costs: e.g., materials, trainer, associated travel, logistics.	**Formula** Training spend ÷ Number of workers participating in training
Average Training Hours The time investment in training at an individual level.	**Formula** Total training hours ÷ total number of workers participating in training
Required Training Completion Rate Shows compliance with training requirements. It is also useful for budget and resource planning.	**Formula** (Total number of workers who have completed a specific required training ÷ total number of workers who are required to take that training) x 100

Performance Management

Performance Review Completion Rate Percentage of completed reviews	**Formula** (Number of completed performance reviews/ Number of completed performance reviews due) x 100
Average Performance Rating The mean performance rating across a selected group of employees receiving performance assessments.	**Formula** (Total of all Performance Ratings/ Number of employees who received a Performance Rating) x 100
Performance Rating Distribution The employee representation across each of the available Performance Ratings. This distribution can provide insight into the degree of use of the full scale, suggest possible rating inflation, illustrate where there are issues with under performance, and reveal any variance with organization distribution targets.	**Formula** (Number of employees who received each rating/ Number of employees who received a Performance Rating) x 100

Succession Planning

Succession Breadth Extent to which you have Ready Now Successors or your succession positions.	**Formula** (Number of Successor positions with a minimum of one Ready Now Successors/Number of Succession positions) x 100
Succession Depth Extent to which you have unique Ready Now Successors	**Formula** (Number of Successor positions with a minimum of one unique Ready Now successor/ Number of Successor positions) x 100
Succession Fill Rate Degree to which your Succession Management program is providing viable candidates for successor positions.	**Formula** (Number of succession positions filled with a Successor/ Number of succession positions filled) x 100
Successor and High Potential Retention Degree to which you are retaining those employees who are successors, and those who have been assessed as having the potential to be successors.	**Formula** (Number of Successor or High Potential employees at the targeted time period/Number of Successor or High Potential employees originally) x 100

Total Rewards

Pay

Annual Base Salary Increase Percentage increase in base salaries from one time period to another, e.g., year over year, or quarter over quarter (different quarters within same year or same quarter within different years)	**Formula** (Targeted base salary spend after Increase/ Current base salary spend) x 100
Target Bonus for Non-Executives The average percentage of base pay that is targeted to be paid out in cash bonuses to non-executive staff during a given year	**Formula** Total bonus pay spend at target for non-executive staff/Total base pay spend for non-executive staff
Target Bonus for Executives The average percentage of base pay that is targeted to be paid out in cash bonuses to non-executive staff during a given year	**Formula** Total bonus pay spend at target for executive staff/Total base pay spend for executive staff
Compa Ratio and Average Compa Ratio The compensation ratio is defined as the relationship of current salaries to the midpoints of the salary rates. This metric can be used at the individual, segment, or organization level to show if an employee or group of employees is being paid appropriately on basis of their skills, experience and performance.	**Formula** Pay rate ÷ pay range midpoint (for individual) Total of all Compa-ratios of employees in the segment or organization/ Number of employees in the segment or organization Both must be in same format: annual, pay period, or hourly

Total Compensation Spend Rate The relationship of costs associated with Total Compensation spend, including salaries, overtime, benefits, incentives and bonuses, to an organization's Total Operating Costs. TCS rate provides management with insight into the largest category of human capital costs. Also looking at (and perhaps benchmarking) fixed and variable compensation as a percentage of total compensation is helpful in budgeting, workforce planning, and devising compensation strategies.	**Formula** ((Direct compensation + Indirect compensation)/ Total operating spend) x 100
Compensation Ratios **Direct:** The direct compensation ratio is defined as the relationship of direct pay to the midpoints of the salary ranges. **Indirect:** The indirect compensation ratio is defined as the relationship of indirect pay to the midpoints of the salary ranges.	**Formula** **Direct:** Direct compensation (base pay + differential pay + short & long term incentive pay + cash awards) ÷ pay range midpoint. **Indirect:** Indirect compensation (legally required benefits + disability + medical, dental, life, vision insurance + pay for time not worked + unpaid leave + flexible benefits + non-cash awards) ÷ pay range midpoint

Benefits

Benefit Participation Rate The percentage of employees that participated in a particular optional benefit Plan or Program.	**Formula** (Number of employees participating in Plan or Program/Number of employees eligible for Plan or Program) x 100
Benefits Spend Share Percentage of Total Compensation Spend that is spent on Benefits.	**Formula** Total Benefits Spend/ Total Compensation Spend
Annual Change in Benefits Spend The rate increase/decrease in an organization's benefits spend vs. a comparator, e.g., prior time period, target or projection.	**Formula** (Current benefits spend – Comparator Spend/Comparator Spend) x 100
Health Care Spend Rate Average cost of providing health care to enrolled employees. Total health care expenses include both employee and company paid premiums, stop-loss insurance and administrative fees. This metric can be calculated for other benefits as well.	**Formula** Total health care expenses ÷ number of employees enrolled in a health care plan.

Organization Share of Health Care Premiums The percentage of health care premiums paid by the organization. Best to measure this against targets and appropriate benchmarks.	**Formula** Employee-only coverage premiums paid by organization ÷ total premiums Employee and dependent coverage premiums paid by organization ÷ total premiums

Employee Relations

Organizational Effectiveness

Employee Engagement Degree to which employees are engaged with and committed to the strategy and objectives of the organization, and demonstrate their commitment to organization success through the contribution of their skills, knowledge, abilities and performance.	**Formula** There is no one way to measure Engagement. Many companies use surveys. However surveys have challenges – self reporting can be flawed, participation is typically not 100% and is skewed to favor engaged vs non-engaged employees, output is dated since surveys are often done only annually, and they reflect attitudes or opinions not necessarily behavior. Each organization must drive a metric that reflects employee behavioral alignment with their unique strategy and objectives.
Employee Relations Incidents (Total and Average) Metric reflects the prevalence of employee relations incidents. Each organization must define what constitutes an incident. It is suggested that organizations use workforce headcount vs employee headcount since many employee relations laws and policies, e.g., sexual harassment, apply to non-employees in the workplace as well as to employees.	**Formula** Number of Incidents Number of incidents/Workforce headcount
Span of Control (Average and Median) Number of direct reports per people manager. This is a reflection of organization structure and of culture in some organizations.	**Formula** Number of employees/ Number of employees with people management responsibilities Number of direct reports that represents the half-way point where 50% of people managers have more and 50% have less

EEO Compliance

EEO Compliance This data provides information about the composition of the organization's work force, applicants and candidates, and degree to which the organization is in compliance with EE regulations.	**Formula** EEO -1 reporting
Internal pay equity Average Compa-ratio by gender, race and ethnicity.	**Formula** No further computations are required beyond what is listed for the completion of this metric.

Risk Management

Safety and Health

Workers Compensation Spend Rate Average cost of worker's compensation costs. Allows companies to monitor and benchmark workers compensation costs.	**Formula** Total worker's compensation spend/ Number of covered employees
Workers Compensation claims filed (Total and Average) Provides an indirect measure of workplace safety, and an indication of company risk of incurring high workers compensation costs.	**Formula** Total of all claims filed Total of all claims filed/ Number of employees Total of all claims filed/ Number of labor hours
Accidents (Total and Averages) Provides a direct measure of workplace safety, and an indication of company risk of incurring high workers compensation costs.	**Formula** Number of accidents Number of accidents/Number of employees Number of accidents/Number of labor hours

Liability

Internal and External Complaints (Total and Average) Metrics are used to provide insight into health of the organization and help to devise long and short-term solutions in order to improve performance and productivity issues, and mitigate liability risk.	**Formula** Number of complaints Number of complaints/Number of employees

Employment Practices Claims Initiated (Total and Average) Metric is used to evaluate EPL risk and exposure. Increases in annual EPL claims are an indicator for an organization to reevaluate their employment practices, implement loss-control tools and consider risk-transfer alternatives	**Formula** Number of claims initiated Number of claims initiated/Number of employees
Employment Liability Spend (Total and Averages) Metrics are used to monitor, manage, budget for and mitigate employment claim related costs.	**Formula** Total Spend for: Employment practices liability (EPL) insurance + Cost of defending claims + Resolution payout fees + Risk-reduction services from an EPL provider (Total Employment Liability Spend/Number of employees (Total Employment Liability Spend/Number of claims