**Strategic HR Metrics**

1. **Revenue per employee :**  It’s the total yearly corporate revenue divided by the average number of full-time employees.
2. **Quality of Hire Improvement** (**The improvement in the performance of new hires) : T**o estimate the total revenue increase as a result of [better-performing new hires](http://test-www.visier.com/workforce-intelligence-101/measure-quality-of-hire-with-these-three-critical-factors/).  To calculate quality of hire, take a look at the average job performance rating of your new hires, the percent of new hires reaching satisfactory productivity within a standard time frame, the retention of new hires after one year, and the amount of recognition that new hires received.
3. **Performance turnover in key jobs :** total dollar impact from top performer turnover in key jobs
4. **Dollars of revenue lost due to position vacancy days :** Calculate the dollar loss per day by dividing the average total yearly revenue generated by an employee, in a targeted job, by the number of working days. Report the decrease in vacancy days and the dollar reduction in the amount of lost revenue.
5. **A contribution to productivity survey to identify which HR programs helped to increase productivity :** Survey a sample of managers and employees and ask each how much each individual HR program contributed to their reaching their productivity goals. Use a 1 to 10 scale, with a 10 indicating that the function exceeded their expected contribution.
6. **The percentage of HR strategic goals that were met :** every six months the HR function should report to executives the percentage of its strategic goals that were met or exceeded.
7. **New hire failure rate :** This metric is calculated based on the percentage of new hires who were terminated or who were asked to leave during the first 6 to 12 months after they start. You should also work with the CFO’s office to calculate a credible dollar amount of the annual cost of your new-hire failures. Some firms also consider not filling the position as a failure. But also consider adding as failures any new hire who doesn’t show on the first day, who fails new hire training, who quits within six months, or who must be put on a performance management program as a hiring failure.
8. **Applications per employee :** the target for a highly successful employer brand is that the number of applications that your firm receives each week should equal your number of employees.
9. **Diversity hires in customer-impact positions -** if your workforce reflects the diversity of your customers, your products and services will sell better. So measure recruiting’s contribution to increasing diversity in these critical jobs. In most cases, the definition of diversity should be expanded beyond the legal definition to include diverse thinkers and international hires.

Reference : https://www.visier.com/clarity/top-10-strategic-hr-ta-metrics/

1. **Employee Satisfaction :** Satisfaction metrics can be measured through employee engagement surveys.
2. **Turnover Costs :** here are significant costs to the business every time an employee leaves. The costs of recruiting external candidates, productivity losses due to vacant roles, and training new employees can really add up. When calculating turnover costs, some expenses, like the cost of job advertising or COBRA continuation, are easier to determine than others. Productivity loss and employee morale issues may be more challenging to determine, but are essential for understanding the effect of employee turnover on your business.
3. **Turnover Rate Differences between High and Low Performers :** Evaluating the turnover differences between your high and low performers will help you to determine if there are any evident patterns that should be addressed. For example, are a good percentage of your high performers leaving?
4. **Employee Evaluation Rating compared to Salary :** In order to stay one step ahead of your voluntary separations, and reduce your turnover costs, consider measuring the performance ratings of your high performing employees against the average salary for their position. Ensuring that your top performing employees are paid above the average market salary for their position will help you to stay competitive and retain your high performers.

**Reference : https://www.helioshr.com/2014/03/5-best-hr-metrics-to-improve-strategic-business-objectives-2/**

**First tier Metrics**

1. **Workforce Productivity**
   1. The % improvement in workforce productivity : Improvement in cents spent on people costs for every dollar of revenue/profit generated (compared to last year’s ratio)
   2. The dollar value of the increased workforce productivity between this year and last year
2. **Recruiting**
   1. The number of overall days that “key positions" were vacant (due to recruiting)
   2. Average performance appraisal score of new hires (this year compared to last in the same job)
   3. Manager satisfaction with new hires (survey of hiring managers, results compared to last year’s average)
   4. The turnover rate of new hires within the first year
3. **Retention**
   1. Performance turnover in key jobs (Mentioned above - Point 3)
   2. Preventable turnover in key jobs (where a sample post exit survey is utilized to identify the real reasons that these individuals left the organization and if the turnover could have been reasonably prevented)
   3. Diversity turnover in professional, managerial and technical positions
4. **Manager Satisfaction**
   1. Average ranking of all individual HR functions in a all managers survey where managers are asked to rate all individual overhead functions specifically on their contribution to productivity and in helping the manager to meet their performance goals

**Second Tier Metrics**

1. **Compensation & Benefits** 
   1. **Survey Employees based on pay fairness**
   2. The number of “cents” (insert your local currency here) in total compensation and benefits costs that it took to generate a dollar of revenue (as an indication of compensation effectiveness, where this year's ratio would be compared to last years ratio)
   3. % of employees that are satisfied with their compensation (survey of a sample of employees on their satisfaction between the rewards and the expectations of the firm)
   4. % of employees that are rated in the top performance appraisal level… that are paid above the average salary for their position and vice versa
2. **Employee Relations**
   1. Percentage of employees that report that they have a "bad manager" (survey of employees comparing this year's percentage to last years)
   2. % of employees that are in a performance management program that improved, worsened, or remained the same on performance appraisal ratings within 1 year
3. **Training & Development**
   1. % of employees that report that they are satisfied with the learning and growth opportunities provided by the firm (survey of a sample of employees) **(Part of Point 5)**
   2. Percentage of employees that report that they are in the leading edge of knowledge in their profession (survey of a sample of employees)
4. **HR Goals Met (Mentioned Above - Point 6)**

Reference : https://drjohnsullivan.com/articles/strategic-hr-metrics-for-a-global-organization/

**Other HR Metrics (Operational)**

1. **Absenteeism**
   1. Absence Rate
   2. Absence Rate per manager
   3. Overtime expense
   4. Employee Productivity Index
2. **Learning & Development**
   1. Training expenses per employee
   2. Training effectiveness index
   3. Training Efficiency
3. **Retention**
   1. Employee Happiness
   2. Voluntary Turnover Rate
   3. Talent Turnover Rate
   4. Retention Rate per Manager

Reference : https://www.analyticsinhr.com/blog/11-key-hr-metrics/

1. **Recruitment**
   1. Time to hire (time in days)
   2. Cost per hire (**(total cost of hiring/the number of new hires)**
   3. **Early turnover (percentage of recruits leaving in the first year)**
   4. **Time since last promotion (avg time in months since last internal promotion)**
2. **Revenue**
   1. **Revenue per employee (revenue/total number of employees) - Mentioned above**
   2. **Performance and potential (the 9-box grid) -** The 9-box grid appears when measuring and mapping both an individual’s performance and potential in three levels. This model shows which employees are underperformers, valued specialists, emerging potentials or top talents. This metrics is great for differentiating between, for example, wanted and unwanted turnover.
3. **Others**
   1. **Cost of HR per employee. This metric shows the cost efficiency of HR expressed in dollars.**
   2. **Ratio of HR professionals to employees. Another measure that shows HR’s cost efficiency. An organization with fully developed analytical capabilities should be able to have a smaller number of HR professionals do more.**
   3. **Billable Hrs per employee**

**Reference : https://www.analyticsinhr.com/blog/14-hr-metrics-examples/**