



HRxaminer

*Examining practical HR issues business owners
and managers encounter every day*

How Do You Measure Up?



One of my clients asked what kinds of metrics and measurements they should be using in HR. To answer this question, I decided to look at my *Employee Life Cycle™* model and see what kinds of metrics I could brainstorm for each area.

For those not familiar with this model, my *Employee Life Cycle™* model depicts how employees flow through our organizations. To simplify my model, employees (1) enter our organization with employment, then (2) cycle within our organizations with orientation, training, evaluation, reward, and challenge and (3) end with termination out or transition to other parts of our organizations.

While any list of HR metrics is incomplete, hopefully the following will get you started.

Employment and recruiting

- Number of responses per ad / per position; cost of advertising
- Number of qualified applied (ratio to total applicants)
- Which ad sources provided the most candidates, the best candidates
- Number of applicants phone interviewed, live interviewed
- Number of offers extended per year, number declined
- Number of openings per year
- Data sorted by company, department, location, position and any other demographics
- Length of time from placement of ads to actual start date
- Length of time to hire vs. turnover...

Orientation and Training

- Length of time managers determined their new employees' performance reached 100%
- Amount of time spent training new employees / cost
- Voluntary and involuntary turnover within the orientation period...

Performance Feedback and Evaluation

- While we don't want managers to inflate performance ratings, if you have a valid performance tool and consistent ratings across the organization, consider evaluating average ratings per position, department, location, etc. to identify training and other related needs

Reward/Compensation

- **Average compensation per position by division, location, length of service in position, length of service in company, management vs. non-management,...**
- **Comparatios of employees in individual positions to determine the competitiveness of your pay, internally and externally (sort and evaluate by different demographics, such as length of service, previous employment, etc.)**

Challenge - Promotions and opportunities

- **How many employees are promoted to new positions**
- **How many opportunities for promotion went to outside candidates**
- **Average length of service of promoted employees**

Transition - Turnover

- **Turnover as a percentage of employees company-wide, per division, department, team, etc.**
- **How many new employees leave within 90 days, 6 months, one year, etc.**
- **Reasons for termination**
- **Percent of resignations and terminations due to "predictable" reasons, bad hiring, poor supervision**
- **Estimated turnover cost per employee**

Transition - Unemployment

- **Annual unemployment tax compared to turnover**
- **Number of claims filed per year, number valid, number contested, number not contested and why**
- **Dollars wasted due to lack of time to adequately complete, lack of documentation from management**
- **Dollars wasted due to bad hire**
- **Manager vs non-manager claims won/lost**

And we haven't touched on benefits costs per employee and so many other aspects of what HR might do!

Of course, we could collect an infinite amount of data. But first identify the objectives and needs for metrics in your organization. Then create a plan for evaluating this information, determining what your ideal "number" is for each of these metrics and strategize how you'll get there. Finally, it's vital to communicate this information up and down the organization so that everyone is invested in taking action and contributing to improving performance in these targeted areas.

Feel free to email me any HR and Management metrics I missed. If I receive enough items to add to this list, I'll send out the additions to my newsletter recipients.

HR Mastery

Here's your final chance of the year to sign up for the 2014 HR Mastery Groups that I facilitate. Remember, you're not alone when you have your HR Mastery team supporting you.

For one annual fee you receive the following:

- HRx hotline – Free access to me throughout the year for phone consultations related to any HR question or issue you may encounter
- 2-hour monthly meetings, with custom selected topics based on your group's interests
- Email and phone access to your HR Mastery team
- Laughter, support and practical information you can use immediately

If HR is not your area of expertise and you know someone who you think would benefit from this opportunity, please email this newsletter to them.

To learn more about HR Mastery or any of my consulting or training services, please email me at Arlene@ArleneVernon.com or call me at 952-996-0975.

About Arlene Vernon

Arlene has provided HR consulting and management training services to over 300 organizations since starting HRx, Inc. in 1992.

If you're seeking a hands-on, practical HRxpert to assist your organization with employee relations, policy development, strategic HR activities or fun/doable management training, call on Arlene – Your HRxpert.

If you're planning a conference, seminar or special event, Arlene specializes in keynotes, seminars and workshops to meet your talent management needs. And if you're seeking a more lively entertaining activity, Arlene's custom songs and musical-inspirational keynote may be perfect for your organization!

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