

15 HR KPIs

to Help You Achieve Your

Strategic Goals



The metrics
that **matter**

Are you feeling overwhelmed by data?

Nowadays, you have access to more data about your employees than ever before. And with some basic data literacy and Excel, you can create virtually any report you want. But creating effective HR dashboards is still a daunting task.

This is because not all HR metrics are related to your strategic goals.

A metric is an indicator that lets you track and measure performance. Some metrics are KPIs: a metric that focuses on how effectively you're achieving key business objectives. In this document you will find 15 examples of HR KPIs that reveal the effectiveness of your HR organization, and not just its efficiency.

Read on to discover 15 KPIs that can help you hit your strategic targets!



1 EMPLOYEE PRODUCTIVITY RATE

This KPI seems simple to calculate (divide units of output by units of input), but is actually quite complex: the units of output and input need to be carefully considered. However, if done correctly, this interesting KPI says something about the capacity of growth in terms of production of human capital.

2 BENEFITS SATISFACTION

You can measure how satisfied employees are with benefits using an employee engagement survey. This is particularly an interesting KPI to adopt if you are aiming to reduce voluntary employee turnover.

3 EMPLOYEE ENGAGEMENT INDEX

Employee engagement is one of the most commonly used KPIs and can be measured through attitude or engagement surveys. High employee engagement predicts many relevant positive outcomes, including higher productivity, better customer service, and lower turnover.



4 EMPLOYEE SATISFACTION INDEX

You can measure employee satisfaction using employee attitude and engagement surveys. Dissatisfaction is an important cause for employee turnover.

5 INTERNAL PROMOTION RATE

To measure this KPI, divide the number of senior functions that were filled through internal promotion by the total number of senior positions filled. Internal hires are often up to speed faster, reduce the risk of a bad hire, and stay on the job longer.

6 EMPLOYEE INNOVATION INDEX

Attitude or engagement surveys can also be used to measure this KPI. Innovation is more and more often a key driver of business success. It's up to HR to enable innovation.



7 NET PROMOTER SCORE

Your department's NPS reveals how satisfied employees are with HR's services. However, this KPI is also relevant if recruitment is a key part of your strategy: using the NPS, you can also measure to what degree people recommend the organization as an employer.

8 PERCENTAGE OF COST OF THE WORKFORCE

Take the cost of the workforce and divide it by the total cost faced by the organization. This KPI isn't a common one, but it is useful for cost reduction purposes, or to help improve automation/robotization in an organization.

9 90-DAY QUIT RATE

This is a key recruitment KPI, measuring the number of hires that leave within 3 months (or a year, if that is more relevant to your organization). A double-digit percentage is a cause for alarm: failing to hire the right people will have a measurable negative impact on organizational effectiveness.

10 QUALITY OF HIRE

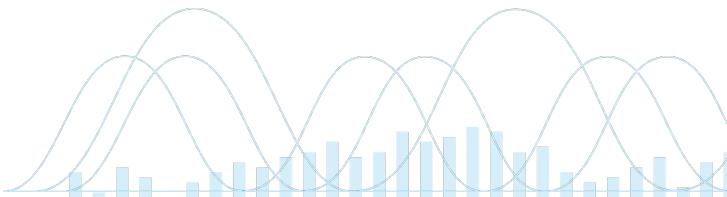
The quality of hire is the percentage of new hires that are given a good rating by their manager during their performance review. Consistently maintaining a high quality of hire provides the organization with the talent it needs to reach its strategic goals.

11 RECRUITMENT FUNNEL EFFECTIVENESS

Optimize your recruitment funnels by measuring the effectiveness of each phase using the yield ratio: dividing the number of applicants who successfully completed the stage by the total number of applicants who entered the stage. For example: if 10 candidate submissions lead to 5 hiring manager acceptances, the yield ratio is 2:1.

12 TRAINING EFFECTIVENESS

Investing in L&D initiatives is a good way to contribute to business goals, but only if the courses, training and workshops offered are a good fit for your company and employees. Measure the effectiveness of training based on the relevant data points for each training to determine if it's effective, or a waste of your resources.



13 TURNOVER RATE

This popular HR KPI is prevalent for a reason, as high turnover can be very costly. To provide an even more detailed picture of the organization's turnover, you can also measure:

Involuntary Turnover Rate

This measures the number of employer-led resignations.

Voluntary Turnover Rate

This measures the number of employee-led resignations.

Unwanted Turnover Rate

Not all turnover is bad. However, you do not want your top performers to churn. This KPI focuses on the resignation of good performers as a percentage of all performers.



14 ABSENCE RATE

You can calculate the absenteeism rate by dividing the number of working days an employee was absent by their total number of working days. Monitoring your absence rate can help you identify underlying problems that are affecting employee wellness.

15 ABSENCE COST

The total cost of absence is calculated by including employee pay, the cost of managing absence, and replacement costs. This KPI is especially relevant for European countries with strong labor unions and a high degree of employee protection.

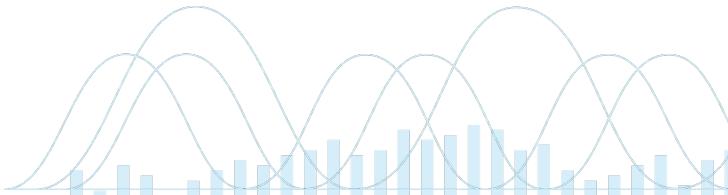


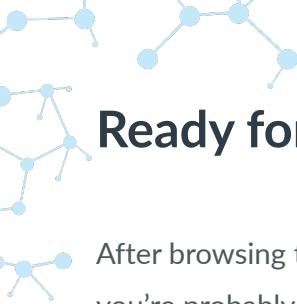
KPI TEMPLATE

So let's look at an example of what a filled out HR KPI template could look like. In this example we've defined a number of KPIs that will help us reach our strategic HR goals based on the organization's strategy.

We've made them concrete by measuring our current score and by setting a target.

Strategy Map		HR Scorecard		
		KPI	Current score	Target
Strategic	Most innovative organization in the sector	Position in the sector-wide innovation benchmark	5	Top 3
		Time to market of last 5 new products in days	121	95
Employee growth	Hire more qualified professionals	Satisfaction score of Manager after 1 year (quality of hire)	0.70	0.85
Financial	Decrease of recruitment cost	Recruitment cost in Dollars	4 MM	3.5 MM
Process	Decrease of lead time	More attractive employer	Time to hire in days	38
			Acceptance ratio in %	70%
			Top employer benchmark	Top 40% Top 20%





Ready for a deepdive?

After browsing this list of HR KPIs and the scorecard example, you're probably left with questions like:

How do I start implementing KPIs?

What are good KPIs for my organization?

How are KPIs different from metrics?

But now worries. We have an article on your blog that answers all these questions for you:

HR Key Performance Indicators: An In-depth Explanation with Examples

[Read full article](#)



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