

THE NONPROFIT HR METRICS MENU

HR metrics are a tool for measuring the cost and impacts of HR programs and strategies. Metrics can be analyzed to compare current data to the past, assess present opportunities and forecast the future. Metrics provide HR an opportunity to drive business strategy to help an organization achieve its mission. **But what exactly should you track?** Here is a compiled list of practical and effective metrics that your nonprofit may consider including in your next metrics report.

DID YOU KNOW...

There are two kinds of HR metrics.

Human capital metrics: measures the optimization of human capital; business results

Human productivity metrics: measures ability/efficiency/effectiveness of the HR function

HUMAN CAPITAL METRICS

Recruitment metrics

- **Offer acceptance rate:** Number of offers accepted / number of offers extended
- **Average cost per hire:** Total recruitment cost / new hire's starting salary + benefits costs
- **Percentage of filled positions:** Number of job openings filled / total number of job openings
- **Diversity new hire ratio:** Number of new hires from a diversity group / total number of new hires
- **Female new hire ratio:** Number of female new hires / total number of new hires
- **Referral rate:** Number of employee referrals hired / total number of new hires

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HUMAN CAPITAL METRICS (CONT.)

Retention metrics

- **Total turnover:** Number of separations / average number of employees during the year
- **Involuntary vs. voluntary turnover:** Breakout of involuntary (layoffs, terminations, separations due to death and disability) vs. voluntary (resignations)
- **“Regrettable” vs. “unregrettable” turnover:** Breakout of turnover of staff who left that the organization would have liked to retain vs. turnover of staff that are not as key to retain (such as a low performer)
- **“Uncontrollable” vs. “controllable” turnover:** Breakout of turnover of staff who left for reasons beyond the organization’s control vs. those who left for reasons that could have been influenced by the organization
- **First year resignation ratio:** Number of resignations from employees who were employed for less than one year / total number of resignations
- **One Year Involuntary Turnover Ratio:** Number of involuntary separations of employees who separate and were employed for less than one year / total number of separations
- **Resignation rate of top performers**

- **Average turnover cost:** Total costs of employee separation + costs of recruitment

Employee performance metrics

Performance ratings broken out by:

- Department
- Job function
- Demographics

Compensation and benefits metrics

- **Benefits cost per employee:** Total costs of employee benefits / total number of employees
- **Percentage of total compensation:** Annual salary / total compensation (salary + total benefits)
- **Total compensation costs as percentage of total operating expenses:** Total compensation costs / operating expenses
- **Fringe benefits rate:** Total cost of fringe benefits / total salary costs

Employee demographic metrics

- **Average tenure of staff**
- **Average retirement age of employees**
- **Gender breakdown**
- **Ethnicity breakdown**
- **Age breakdown**
- **Education levels**

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HUMAN CAPITAL METRICS (CONT.)

Career advancement metrics

- **Number of promotions**
- **Promotion ratio:** Number of staff promoted / total number of staff
- **Average promotion wait time**
- **Number of career mobility changes**

Employee engagement metrics

Satisfaction of:

- Workplace culture
- Job responsibilities
- Supervisor and other colleagues
- Leadership and trust
- Recognition and rewards
- Communication in their department and/or entire organization

Measured by:

- Exit interview feedback
- Employee surveys and focus groups
- Social media chatter

HUMAN PRODUCTIVITY METRICS

HR headcount: Number of HR staff

HR ratio: Number of HR staff / number of full-time employees

Cost of HR per employee: Total cost of HR staff's salary + benefits / total number of all employees

Average time to fill: Total days to fill job openings / total staff hired

HR expense ratio: Total HR expenses / total operating expenses

Outsourced HR cost: Cost of outsourced HR functions / total HR costs

If you need help determining which metrics to track and how to assess them, we're happy to help. Please contact Nonprofit HR's Senior HR Consultant, Alicia Schoshinski, at alicias@nonprofithr.com or visit us online at www.nonprofithr.com.