

The 29 Most Important HR Metrics You Need to Track

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TABLE OF CONTENTS

- 4.** First, What Are HR Metrics?
- 6.** How to Establish HR KPIs
- 12.** The 29 Most Important HR Metrics
- 19.** What Are HR Analytics Tools?
- 21.** How to Use Data in HR
- 23.** Which Companies Use HR Analytics?
- 25.** Examples of How Companies Use HR Analytics
- 29.** Next Steps: Start Tracking HR Metrics
- 31.** FAQs About HR Metrics

After several tumultuous years of mass resignations, quiet quitting, and ultra-competitive job markets, companies are beginning to recognize the importance of people data and analytics. As 2022 drew to a close, HR Executive declared it [“The Year that People Data Analytics Took Off.”](#)

This prediction echoes findings from [our recent survey](#): We found that 82% of executives agree that HR metrics are useful for their organization—and nearly one-third want to see more frequent reports from HR teams.

We’ve created this guide to help you understand the basics of HR metrics, plus 29 essential HR metrics to start measuring today.

Looking for an easier way to analyze HR metrics? BambooHR can help. Our analytics software makes it simple to manage and report on all of your sensitive people data. You’ll build an organized, secure database and export data-driven reports—no technical experience required. [Learn more with a free demo!](#)

First, What Are HR Metrics?

HR metrics (or human resource metrics) are key data points that help organizations track their human capital and measure how effective their human resources initiatives are.

Measuring this data—including what’s working well, what needs improvement, and what trends to expect in the future—helps organizations track their HR success.



How to Establish HR KPIs

Your KPIs, or “key performance indicators,” are the data points you’ll track and communicate across your organization. These are made up of your HR metrics, but are tied to specific goals that indicate your team’s progress.

In a [recent study](#), we found that both executives and HR professionals agree that measuring HR and its impact on an organization is critical.

This means HR metrics are no longer nice-to-haves—they are a must for any HR team that wants to build a solid, data-driven management strategy.



Tip #1: Choose HR KPIs That Align With Your Strategy

In our survey, more than two-thirds of respondents said that it's very or extremely important to measure the impact of HR initiatives. In [Peter Drucker's words](#): "What gets measured gets improved."

To take that quote a bit further, what gets measured matters: 87% of respondents said that HR reports influence their organization's strategy.

If your organization hopes to make informed, strategic choices for the future, it's clear that HR metrics need to be a piece of that puzzle.

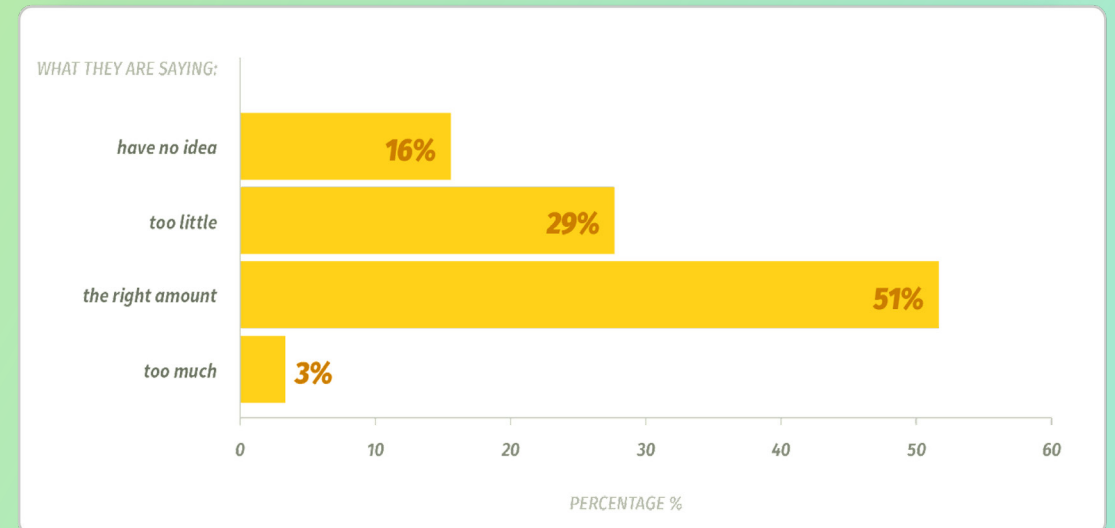
Tip #2: Ask Executives What They Need to See in HR Reports

Although many HR professionals acknowledge the importance of HR metrics, HR teams aren't delivering as much information as their executive teams would like.

Among the non-HR executives we surveyed, nearly one-third said their HR team doesn't report often enough, and 16% said they have no idea how often their HR team reports.

This suggests that many organizations have room for improvement. Understanding your executive team's reporting needs—then meeting those needs—can open the way for you to become a more strategic force in your organization.

Your specific reporting strategy will depend on your organization's size, priorities, HR team, and more. It's important to collaborate with your executive team to understand **what HR metrics are most important** right now and what will be important in the future.



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Tip #3: Don't Skip HR KPIs Around Employee Experience and Retention

We asked respondents for the types of HR reports they currently use to measure the impact of HR, as well as the types of HR reports they wish they had. Nearly one-quarter of respondents selected employee satisfaction as a report they'd like to have, and 20% selected employee engagement.

Since HR is meant to serve the people of an organization, the employee experience should be an important part of the HR measuring process. Are HR initiatives helping to boost employee satisfaction and engagement? Or are they hindering these things? HR metrics can help answer these questions.

The 29 Most Important HR Metrics

4 HR Service and Software Metrics

- **Cost of HR per Employee:** The total amount your organization spends on HR functions divided by the total number of employees.
- **HR Software Employee Participation Rate:** The number of employees who actively use your HR software divided by the total number of employees, multiplied by 100 to get a percentage.
- **Ratio of HR Professionals to Employees:** The number of employees in your organization per HR professional on your team.
- **ROI of HR Software:** There are several factors that contribute to the [ROI of your HR software](#), but the core formula is the difference between how much the software costs your organization and how much money it generates or saves your organization.



7 Recruitment Metrics

- **Acceptance Rate:** The number of offer letters your organization extends divided by the number of candidates who accept an offer.
- **Cost per Hire:** The average cost of hiring a new employee. You can generate this number by adding up both internal and external hiring costs then dividing that total by the number of employees you hired in a given period.
- **Demographics:** The characteristics of your workforce such as age, gender, education level, and length of service.
- **Headcount:** The total number of employees in your organization or within a specific department you may be tracking.
- **New-Hire Turnover:** The number of new hires who leave within a set period of time, such as within their first year of employment.
- **Time to Hire:** The average number of days between when a job is posted and when a candidate accepts your offer.
- **Time to Productivity:** The time it takes for new hires to become acclimated at your organization and start working at full productivity.

6 Engagement and Employee Retention Metrics

- **Employee Satisfaction:** The number of employees who would recommend your company as a good place to work versus the number of employees who wouldn't, indicating overall employees satisfaction (an employee Net Promoter System* [like ours](#) can help you measure this).
- **Retention Rate:** The opposite of your turnover rate in that you divide the number of employees who remained in your organization over a given period by the number of total employees.
- **Retention Rate per Manager:** The retention rate broken down by individual teams and managers.
- **Talent Turnover Rate:** The rate of turnover among your organization's high-performing and high-potential employees.
- **Total Turnover Rate:** The number of employees who leave your organization within a given period of time divided by the average number of total employees (then multiplied by 100 to come up with a percentage).
- **Voluntary Turnover Rate:** The turnover rate including only those employees who leave your organization voluntarily.

*Net Promoter, NPS, and the NPS-related emoticons are registered trademarks, and Net Promoter Score and Net Promoter System are service marks, of Bain & Company, Inc., Satmetrix Systems, Inc. and Fred Reichheld.



3 Time Tracking Metrics

- **Absence Rate:** The average number of days employees are absent in a given time period, not including approved PTO (also called [absenteeism](#)).
- **Absence Rate per Manager:** The absence rate broken down by individual teams and managers.
- **Overtime Hours:** The number of overtime hours worked by employees in a given time period. You can calculate an average number or break it down by individual employees.

5 Performance Management Metrics

- **Company Performance:** A high-level comparison of how well employees are performing versus how engaged and valued they feel.
- **Employee Performance:** You can track employee performance through self-assessments, peer reviews, manager assessments, or a combination of all three.
- **Goal Tracking:** If your [performance management software includes goal tracking](#), you can see the goals employees have set, how these goals connect to larger company goals, and the progress employees have made.
- **Performance and Potential:** The [nine-box model](#) that allows you to categorize employees according to their performance and potential levels for better succession and leadership planning.
- **Revenue per Employee:** The total amount of revenue divided by the total number of employees.

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4 Training and Development Metrics

- **Training Completion Rate:** The number of employees who completed a given training divided by the total number of employees, then multiplied by 100 to get a percentage.
- **Time to Completion:** The average amount of time it takes for an employee to complete a given training program.
- **Training Effectiveness:** There are [several methods](#) for measuring training effectiveness, including running tests or assessments to generate a pass/fail rate.
- **Training Expenses per Employee:** The total cost of your organization's training courses and programs divided by the total number of employees.

What Are HR Analytics Tools?

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HR analytics tools take complex data about your company and turn them into user-friendly reports.

For example, BambooHR's people data and analytics tools streamline the reporting process, allowing you to collect data and generate a report with the push of a button.

This saves HR departments hours or even days. With automated reports, you can quickly and easily prepare for meetings, stay up to date with HR performance, and establish clear goals to ensure that the company can grow sustainably.

How to Use Data in HR

If you want HR metrics to have a real impact, the [Society of Human Resource Management \(SHRM\)](#) recommends four best practices:

Analyze your data and draw conclusions from it. Producing lots of data can bring a false sense of productivity—don't get caught in the trap of measuring things just to measure things. As SHRM explains, "It is the insight that produces value, not the metric itself."

HR metrics help your organization make better, more informed decisions. If you find yourself reporting on data that does not contribute to larger decisions, then it may be time to adjust your reporting strategy. After all, the report states, "Any metric that does not lead to action is not worth the time and effort to calculate and report it."

Identify the right audience for each HR metric. Not every figure is going to be equally useful for every team. Some metrics, like new-hire turnover or time-to-hire, will be especially helpful for your recruiting team, but they might not be as relevant to your middle managers. To make HR metrics as valuable as possible, SHRM reminds us "[d]on't waste anyone's time with metrics or analytics that are not relevant to their responsibilities and decisions."

Your organization must determine its own goals and targets. There is no universal magic number for what your turnover rate should be or what your training per employee should cost. It all depends on your organization's specific circumstances. So, your organization should have a goal for each metric that clearly relates to your organization's overall success.

Which Companies Use HR Analytics?

HR analytics tools give companies of all sizes insight into their operations, retention rate, and hiring decisions while also simplifying more complex HR data into usable reports and easy-to-understand information that executives can use to further company goals. The tools are ideal for any company of any size and in any industry.

- Large corporations like Google use HR analytics to evaluate department productivity and effectiveness.
- Retailers like Walmart use them to evaluate the way new programs and processes are being implemented in stores across the country and to identify new career paths for employees to grow into.
- Microsoft and other tech companies use analytics to help improve retention and identify areas of their company that are struggling to attract the type of talent the organization needs to continue growing.

The types of tools you need will largely depend on how your company operates and the types of information your departments want to gather.

Examples of How Companies Use HR Analytics

Jennifer Fisher | Director of People and Culture, International Scholarship and Tuition Services (ISTS)

Jennifer Fisher uses performance management reporting from BambooHR to save time, identify opportunities for improvement, and boost engagement. The reports give her organization “better visibility into where everyone is. If everyone is going in the same direction, we are so much more productive. If everyone is meeting their goals, that means our company is most likely meeting its goals.”

By tracking HR metrics such as goal progress, employee performance, and employee engagement, Jennifer and her team were able to identify points of employee disengagement and misalignment, as well as potential development opportunities. With this data, they have helped employees improve and gotten the right people on track for leadership positions.





Jessica Neal | HR General Manager, American Cedar & Millwork

Jessica Neal uses time tracking reports to keep employees and managers on the same page with scheduling and overtime—which is especially important for an organization that spans multiple states. She explains, “If managers wanted overtime reports before, I had to manually go into our system and access [the report] for them. I couldn’t give them access to some things without giving them access to everything. Now I can give them access to reports for their own employees.”

With more accessible, more streamlined reporting, American Cedar & Millwork has seen a 25-30% reduction in overtime hours as clock-in/clock-out tracking has become more accurate.

Emily White | Director of HR, New Moms

In addition to managing typical human resources tasks, Emily White also helps secure grants and funding for the nonprofit organization. With the right HR metrics and analytics, Emily is able to make a compelling case for her company to gain the funding they need. For example, “our grant writer was asking me for a turnover rate, and I was able to give her not just the turnover rate, but also the narrative of how our turnover rate has gone down by a factor of four over the past three years.”

By presenting key HR metrics, as well as the context and narrative of that data, Emily helped her organization win an important grant and continue funding their company mission.



**Next Steps:
Start Tracking HR Metrics**

Don't Leave Employee Data to Chance.

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The work you do in human resources is vital to your organization's success. But without measuring and tracking the HR metrics that matter, it's difficult to pinpoint how your work makes a difference or develop strategic plans for improvement.

If you aren't measuring any human resources metrics right now, sit down with your executive and HR teams and identify which data you need to start tracking today. Keep it simple: If you're already measuring some HR metrics, double-check that all of your data is helping your organization reach its goals.

And if you haven't gotten started yet, don't wait—or you'll risk missing out on valuable insights.

FAQs About HR Metrics

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Why are HR metrics important?

Measuring HR metrics, specifically people metrics, allows you to collate data in order for organizations to develop their people strategy. HR metrics can help to identify what's working well, areas for improvement and future trends.

What are some HR metrics that matter?

There are a range of HR metrics which are important. In our guide, we have broken down important workforce metrics under the following categories: HR Service & Software, Training & Development, Employee Value & Performance, Time Tracking, Engagement & Retention and Recruitment. All of these can benefit from having HR metrics against them.

How frequently should HR metrics be measured?

HR metrics should be measured regularly and often. Weekly or monthly would be good options if time allows. Having clear, concise and regular metrics can ensure nothing vital gets missed and trends can be followed such as: 1) employee happiness, 2) expenses, 3) productivity, and 4) costs. If these metrics are measured sporadically, important information can be missed or slip through the cracks.

Can HR metrics help to address staffing problems?

Yes. HR metrics can help in a wealth of areas, especially when it comes to staffing. Gather the information on productivity, absences, employee happiness and any other employee-based metrics. From here you can use the quantitative data to establish if there are any links and make more informed decisions based on the knowledge the metrics gave you. These examples of HR analytics can improve the productivity of every business.