

## HIRING, JOB ABSENCE & TURNOVER METRICS

METRIC	DESCRIPTION	FORMULA
<b>Cost of Vacancy</b>	This measures potential productivity and profit losses to the organization due to unfilled or vacant positions.	$\frac{\text{Total Annual Revenue Per Employee} + \text{Cost of pay \& benefits for those workdays}}{\text{Number of Workdays in a Yr (usually 240 or 250)} \times \text{\# of Workdays the Job is Vacant}}$
<b>Cost Per Hire</b>	Cost per hire calculates the true costs of hiring. Components of this metric include total external costs (agency fees, advertising costs, travel costs, etc.) and internal costs (salary+benefits of the recruiting team, fixed costs such as the physical infrastructure like special recruiting software), etc.	$\frac{\text{Total external costs} + \text{Total internal costs}}{\text{Total number of hires in a time period}}$
<b>Job Absence</b>	Enables the organization to compare with others within their industry through national surveys to determine whether the organization is in line with those averages or if further investigation is needed. Calculating the absence rate is the first step in determining how absences affect an organization in terms of productivity and actual cost. The absence rate can be calculated by organization, department or job group.	$\frac{\text{Workdays lost due to absence} + \text{Average Employee Population}}{\text{Number of Work Days Available per Employee}}$
<b>Time to Fill</b>	Number of days from which job requisition is approved to new hire start date. This measures the efficiency of the recruiting function.	$\frac{\text{Total days elapsed to fill requisitions}}{\text{Number of Individuals Hired}}$
<b>Turnover Cost</b>	Turnover/Replacement Cost measures the cost of turnover and looks at the cost of replacing the exiting employees. The expenses associated with the turnover/replacement calculation generally fall into categories such as separation costs, replacement costs, training and orientation costs and lost productivity.	$\frac{\text{Separation costs} + \text{Replacement costs} + \text{Training costs} + \text{Performance Differential}}{\text{Number of Hires}}$
<b>Turnover Rate</b> <small>(Same formula can be used to calculate rates monthly, quarterly, annually, or any other time period the organization deems appropriate.)</small>	Turnover is an area heavily studied by all organizations to determine movement out of an organization (separations). Turnover is further categorized as either voluntary or involuntary. Voluntary turnover (resignations) is most often studied, as voluntary turnover is typically greater than involuntary turnover (discharges) and management's desire to reduce or maintain turnover at an acceptable level. Turnover can be further analyzed by looking at specific causes for separations. The U.S. Bureau of Labor Statistics provides survey data on a quarterly basis with regard to turnover.	$\frac{\text{Total Number of Employees who Terminated During the Period}}{\text{Number of Active Employees During the Period}}$
<b>Vacancy Rate</b> <small>(Formula can be used for a single position, a class of jobs, a division or the entire organization.)</small>	Measures the organization's vacancy rates resulting from employee turnover.	$\frac{\text{Total Vacant Positions Today}}{\text{Total number of positions as of today}} \times 100$
<b>Voluntary Separation Rate</b>	Looks at the percentage of regular head count that voluntarily left the organization. High turnover may impact the organization's stability, profitability and productivity.	$\frac{\text{Total Voluntary Separation}}{\text{Total Headcount}}$
<b>Yield Ratio</b>	Compares the number of applicants at one stage of the recruiting process to the number at the next stage.	$\frac{\text{Percentage of applicants from a recruitment source that are selected to move forward to the next stage of the selection process. (For example, 100 resumes received, 50 move forward)}}{\text{Total Headcount}}$

METRIC	DESCRIPTION	FORMULA
		forward to the next stage = 50% yield)

**Average Number of Employees who worked during the time period being measured:**

Total number of employees paid in all pay periods during the time period measured (year, month, quarter, etc.) - Including full time, part time, seasonal, etc.

÷

The number of pay periods during the time period

**Total Hours Worked by All Employees (excluding vacation, holidays, etc.):**

The number of full-time employees on payroll during the time period measured (year, month, quarter, etc.)

X

The number of work hours scheduled for a full-time employee during the time period

÷

The number of actual full-time hours worked during the time period