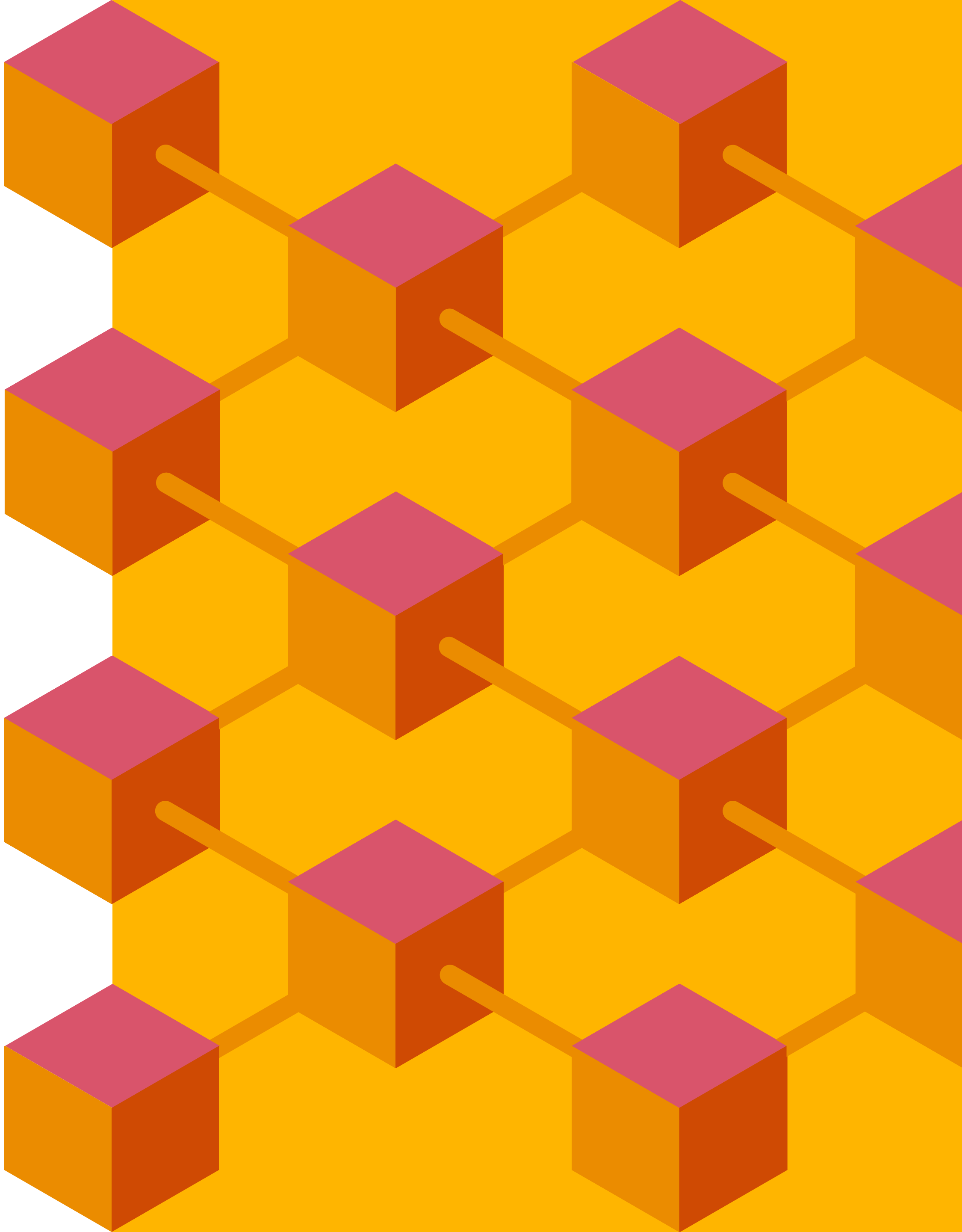
Saratoga Workforce Index

National averages of common workforce metrics for 2022



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Welcome

Welcome to the Saratoga Workforce Index - an essential reference of national averages of 32 commonly requested HR metrics.

Based on PwC Saratoga’s annual workforce benchmarking study of over 1000 metrics spanning hundreds of companies and over 20 industries, the Saratoga Workforce Index is your “quick start” guide to workforce benchmarks.

Introduction

As remote work, labor shortages, tech company layoffs, and terms like “The Great Resignation” and “Quiet Quitting” echo through the media, you are likely facing seemingly simple questions such as “Is this something we need to worry about at our company?”

The benchmarks in the Saratoga Workforce Index help you answer this question. With these benchmarks, you can tell your executive team if changes in your workforce are better or worse than others in your industry or the country - to either assuage fears or drive immediate action.

If you need more industry-specific or customized data tailored to your company’s unique situation, please contact us at saratoga@pwc.com.

How to use the Saratoga Workforce Index

Four categories - Staffing, Efficiency, Productivity, and Equity - contain a total of 32 workforce benchmarks. Each benchmark includes a definition, the national average, and indicates how much the average is dependent on industry, annual revenue, and headcount.

Category

Name of the benchmark

National average of this benchmark

Indicates the level of variance across industry, revenue, and headcount


Staffing > Hiring - Big picture

Hire Rate

2022 National Average Value

27 %

value has High variance across industries

value has Low variance relative to revenue

value has Medium variance relative to headcount

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The Hire Rate is the total number of candidates hired to fill existing requisitions, divided by the total non-contingent headcount of the organization. It includes hires that accepted an offer but chose not to start but excludes acquisition hires, college interns, promotions or transfers that did not fill a requisition, and those that accepted an offer and were not allowed to start due an issue such as a failed background check.

If your Hire Rate is higher than that of similar companies, it can indicate either growth or abundant churn. If you are not expecting or seeing growth, the elevated Hire Rate may indicate a need to investigate turnover and its root causes such as employee engagement or inability to properly match talent to the right roles.

For more precise benchmarks or help on how to make the most of workforce benchmarks, please contact us at saratoga@pwc.com. Data from 1/2022 - 12/2022.

Definition and tips on interpreting the value of this metric

How to get more information about this metric or more specific benchmark data

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Variance is defined as the Percent Relative Range [(max-min)/median * 100] of values across industry, headcount, or revenue.

Variance	Percent Relative Range	Likely Range
Very High	>160	+/- > 80%
High	81-160	+/- 40-80%
Medium	16-80	+/- 8-40%
Low	<15	+/- 8%

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Learning & Development Investment per Employee

Staffing

It is difficult to be successful when you don’t have enough people to do the work. The set of staffing-related benchmarks provides insight into the overall fluctuation of your workforce as well as the efficiency and effectiveness of the recruiting process.

Hiring - Big Picture

Workforce growth, reductions and talent availability

Talent Acquisition

Desirability, efficiency of talent acquisition, and cost effectiveness

New Hire Success

Quality of hire, organizational culture, on-boarding success, perceived advancement opportunities

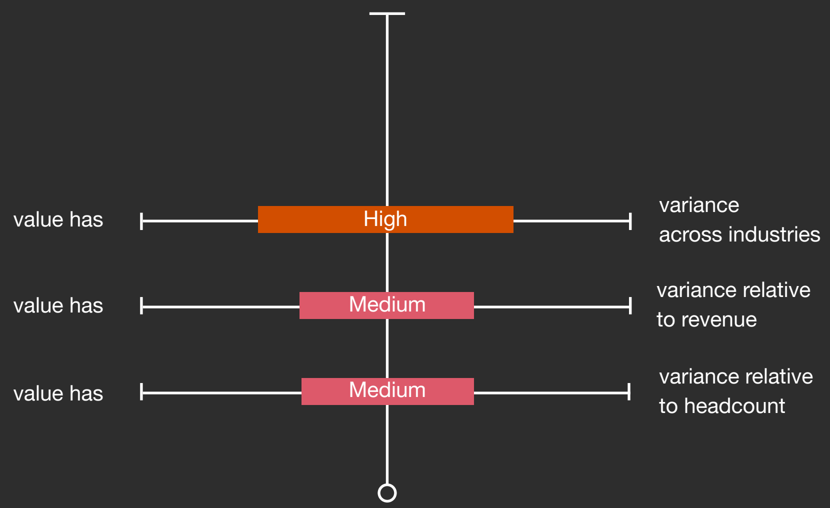
General Turnover

Employee engagement, retention effort success, morale and culture

Vacancy rate

2022 National Average Value

15 %



The Vacancy Rate is the average number of posted positions that were vacant at the end of each month, as a percentage of the total non-contingent headcount of the organization including vacancies. In other words, the Vacancy Rate indicates how many positions are open relative to total existing positions.

Comparing your Vacancy Rate to that of similar companies tells you if you are able to fill open positions as quickly as others. If your Vacancy Rate is higher than your peers, consider additional factors:

- Offer acceptance rate: competitive landscape, employee value proposition, position/candidate alignment
- Turnover: Misalignment of role and skill, lack of growth opportunity, compensation
- Recruiting efficiency and effectiveness: Sourcing, candidate assessment and throughput, closing

High Vacancy Rates may also highlight characteristics of your particular labor market such as low supply of talent or an outsized hiring demand. A relatively high number of vacant positions may also be associated with higher overtime costs paid to employees filling in for vacant positions.

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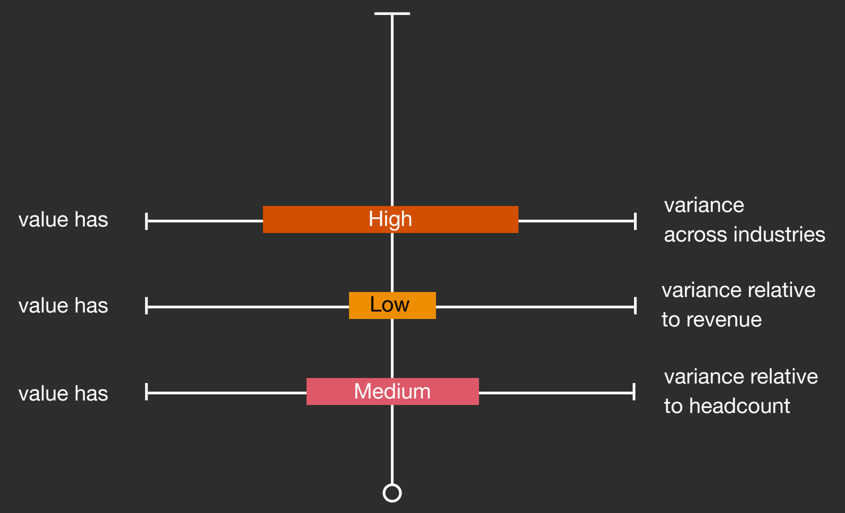
Hire Rate

2022 National Average Value

27 %



The Hire Rate is the total number of candidates hired to fill existing requisitions, divided by the total non-contingent headcount of the organization. It includes hires that accepted an offer but chose not to start but excludes acquisition hires, college interns, promotions or transfers that did not fill a requisition, and those that accepted an offer and were not allowed to start due an issue such as a failed background check.

If your Hire Rate is higher than that of similar companies, it can indicate either growth or abundant churn. If you are not expecting or seeing growth, the elevated Hire Rate may indicate a need to investigate turnover and its root causes such as employee engagement or inability to properly match talent to the right roles.

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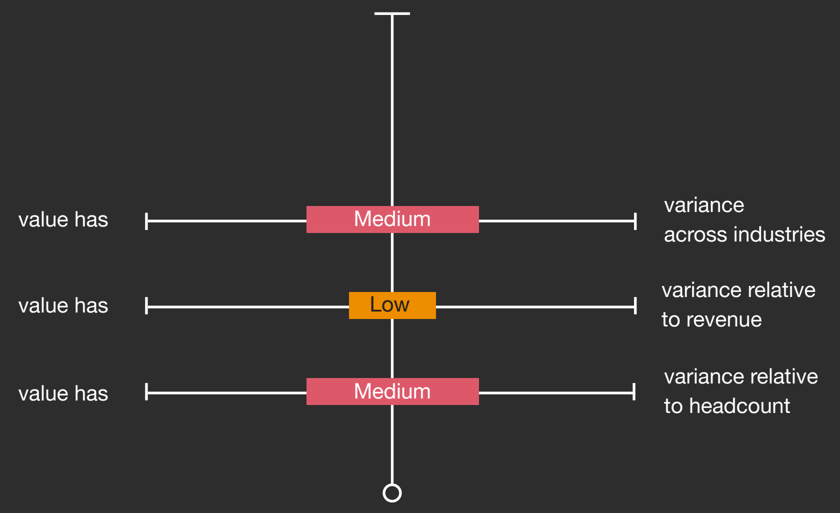
Offer Acceptance Rate

2022 National Average Value

84%



Offer Acceptance Rate measures how many offers are being accepted as a percentage of offers that were extended to fill requisitions for non-contingent roles. This excludes college interns but includes offers that were accepted but were rescinded prior to the candidate’s start date.

This metric can indicate the effectiveness of your employee value proposition, your ability to match talent to the right role, and availability of similar roles in the market. Low Offer Acceptance Rates can indicate company desirability, misaligned role or compensation expectations, or culture fit. Effective branding and hiring strategies can help drive higher Offer Acceptance Rates.

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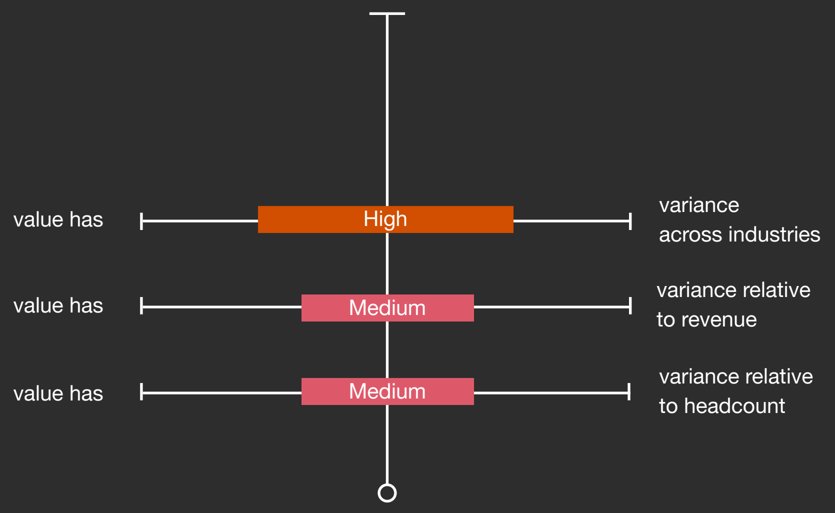
Time to Accept

2022 National Average Value

68 days



Time to Accept is the average number of calendar days from the date a job requisition is approved to the date an offer is accepted. It includes non-contingent candidates and excludes college interns.

Time to Accept provides insight around the length of time that candidates are taking to make a decision on your offer. Time to Accept can serve as a measure of the efficiency of your recruiting and hiring process. In a rapidly changing labor market, this metric can be very helpful for the HR function and talent acquisition team to understand how quickly they can fill an open requisition, especially for pivotal or hard to fill roles in a competitive labor market. This metric may also indicate if candidates are excited to join your company (lower Time to Accept) or they are weighing other offers from competitors (higher Time to Accept), especially for high impact positions in a tight labor market (e.g., healthcare workers, software developers/engineers). A high Time to Accept may also point to a slow labor market, a very slow or lengthy recruiting process, or the inability of a recruiting function to set clear hiring criteria and make decisions. Coupled with Time to Start, you can dig deeper to determine if there are issues with the execution of your talent acquisition process.

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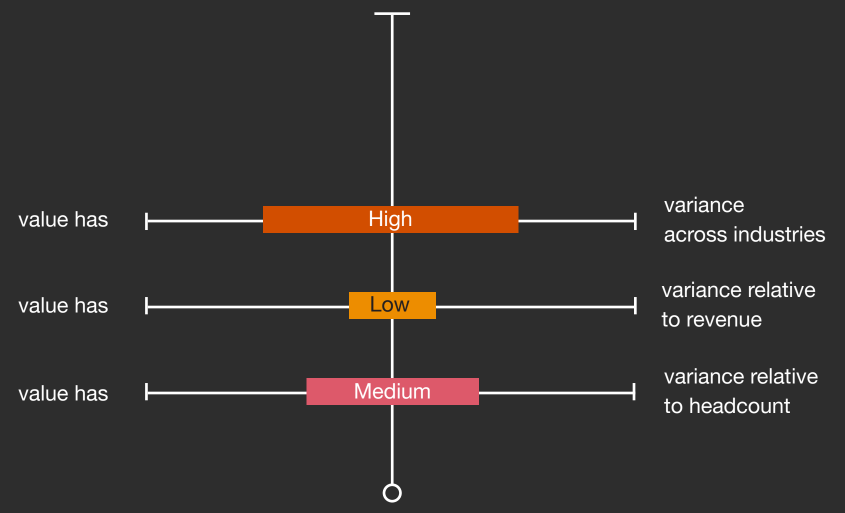
Time to Start

2022 National Average Value

100 days



Time to Start reports the average number of calendar days from requisition approval to the date a new non-contingent hire begins work. It includes full-time and part-time non-contingent candidates and excludes college interns.

Time to Start is a measure of the efficiency of the entire recruiting process through the time a hire finishes onboarding and starts the job, whereas Time to Accept measures how efficiently a recruiting team can fill a requisition. Having a higher Time to Start compared to that of other similar companies may highlight issues with the hiring process such as bottlenecks, or it may be a function of labor shortages. A longer Time to Start may result in suboptimal candidate experiences and reduce team productivity and possibly engagement as they compensate for the unfilled position.

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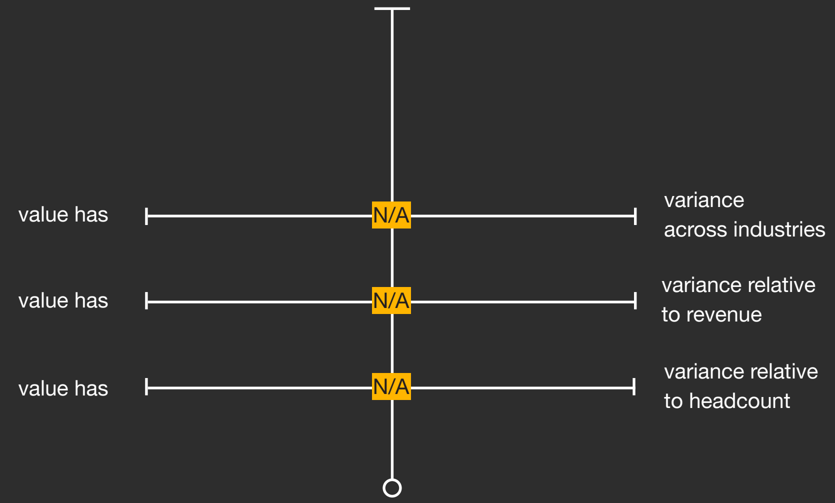
Cost per Hire

2022 National Average Value

$2,700



Cost per Hire is the average amount spent on each hire. This includes non-contingent, full-time, part-time and per diem hires but excludes college interns. This includes:

1. Recruiting program costs (e.g., advertising, agency costs, travel and interview costs, new hire relocation costs, employee referral bonus costs, background/screening costs, drug testing, verification, and recruitment process outsourcing fees)

2. Talent acquisition and staffing function costs (i.e., HR department recruiter compensation cost and benefit costs). This excludes immigration and visa costs for candidates.

Having a higher Cost per Hire than other companies may indicate that the financial efficiency of your hiring process needs to be improved and that your recruiting team may not be operating at optimal performance levels. By comparing the Cost per Hire with the quality of hires, retention rates, and performance of new hires, you can measure the ROI on your recruitment process. While hard-to-fill jobs may have an unavoidably higher associated cost and are worthy of investment, it is prudent to review the Cost per Hire across all functions and to analyze the costs at a detailed level to determine the potential for cost savings for the organization. Hiring costs can have a large impact on total costs, so should be assessed and streamlined where possible. Understanding your Cost per Hire can also aid in the budgeting process each year.

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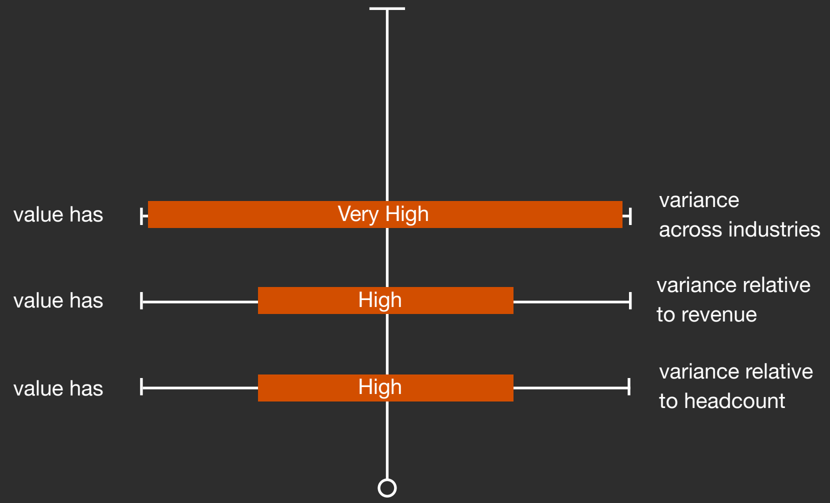
90 Day Total Turnover Rate

2022 National Average Value

13%



The 90 Day Total Turnover rate measures the percent of new non-contingent employees that voluntarily or involuntarily left the organization within 3 months of their hire date i.e., those who accepted an offer but did not make it past 90 days of employment. This includes employees and per diems who accepted an offer but voluntarily opted out prior to the start date, dismissals, divestitures, layoffs, or converted from full-time to contractor status as part of a one-time opportunity offered by the organization. This does not include contingent workers, employees on disability or leave of absence, furloughs, or individuals who transferred from one facility or department to another.   .

90 Day Total Turnover Rate is an indicator of how well new hires tend to fit with your organization and the strength of the onboarding experience. A high 90 Day Total Turnover Rate can highlight a mismatch between the new hire and the organization, often related to job expectations. Having a high rate puts pressure on your team's effectiveness and endangers productivity as roles quickly become unfilled again, and additional costs are incurred as the recruiting process starts over. This rate can also be an indicator of a generally hot job market. In a time of historically low unemployment rates, candidates have options and may often jump to a new organization for better fit or pay.

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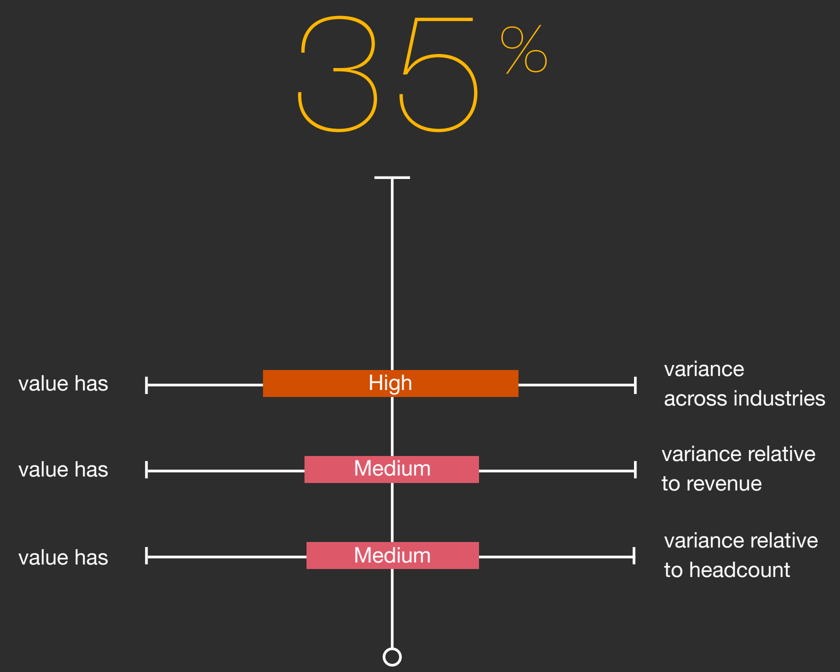
First Year of Service Turnover Rate

2022 National Average Value



First Year of Service Turnover Rate is the percentage of non-contingent employees with up to one year of service who voluntarily or involuntarily left the organization. This includes employees and per diems who accepted an offer but voluntarily opted out prior to the start date, dismissals, divestitures, layoffs, or converted from full-time to contractor status as part of a one-time opportunity offered by the organization. This does not include contingent workers, employees on disability or leave of absence, furloughs, or individuals who transferred from one facility or department to another.

A high first year turnover rate may indicate a clash between hires and the organizational culture, a mismatch between hires and their job roles, or issues with team dynamics. A high rate may also underscore the fact that the onboarding process and support provided thereafter have not effectively facilitated employees' acclimation into the organization. A high first year turnover rate can negatively impact team productivity, stress and morale; time invested in training and onboarding new hires; and costs of the recruiting process, compensation and administrative elements.

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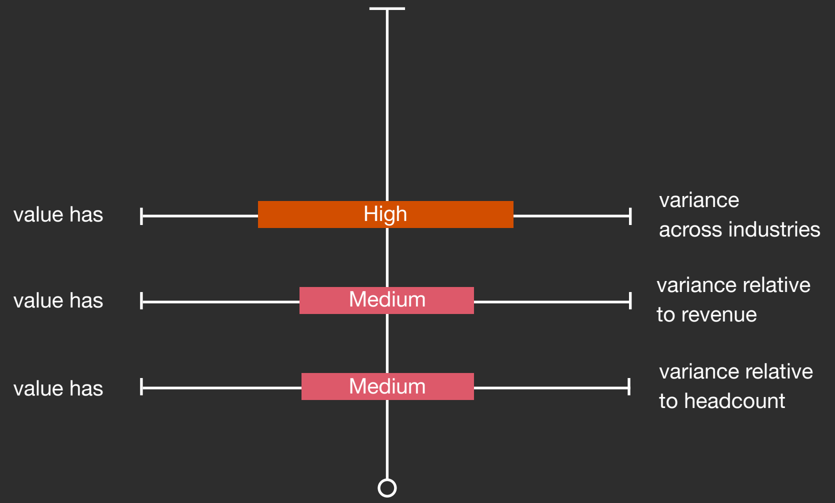
One to Three Years of Service Voluntary Separation Rate

2022 National Average Value

20%



One to Three Years of Service Voluntary Separation is the percentage of employees with more than one and up to three years of service who left the organization voluntarily. This includes regular and early retirements and per diem employees. This excludes employees on disability and leave of absence, college interns, and individuals who transferred from one facility or department to another.

Employees quitting with one to three years experience may indicate that they are leaving for better opportunities elsewhere, or they may be dissatisfied with their current roles or career progression. As 'job hopping' has become a more common method to increase income and advance in one's career, it is critical for organizations to retain institutional knowledge and maintain productivity levels by evaluating retention strategies, providing career advancement support, and improving benefits offered in order to prevent experienced staff from departing.

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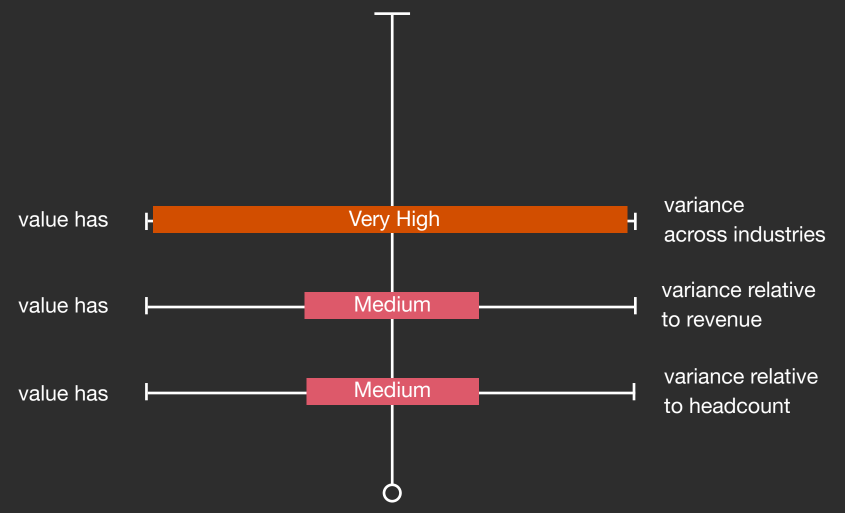
Turnover Rate

2022 National Average Value

20%



Turnover Rate is the percent of non-contingent employees that left voluntarily or involuntarily. It includes candidates who accepted an offer but voluntarily opted out prior to starting and employees who converted from full-time to contractor status as part of a one-time opportunity offered by the organization. This metric excludes employees on disability or leave of absence, college interns, furloughs, and transfers.

A high turnover rate could be due to employee engagement factors such as dissatisfaction with immediate supervisors; frustration with comp, benefits or advancement opportunities; a toxic culture or feeling excluded; or planned reductions such as layoffs and divestitures. It could also be a function of the broader job market - such as with the “Great Resignation.”

A low turnover rate may indicate effective retention strategies and positive culture but could also be a sign of “Quiet Quitting” that may negatively impact productivity and innovation.

To learn more about the causes of your turnover, consider investing in an employee listening program (such as PwC Listen) to measure engagement and culture irregularities.

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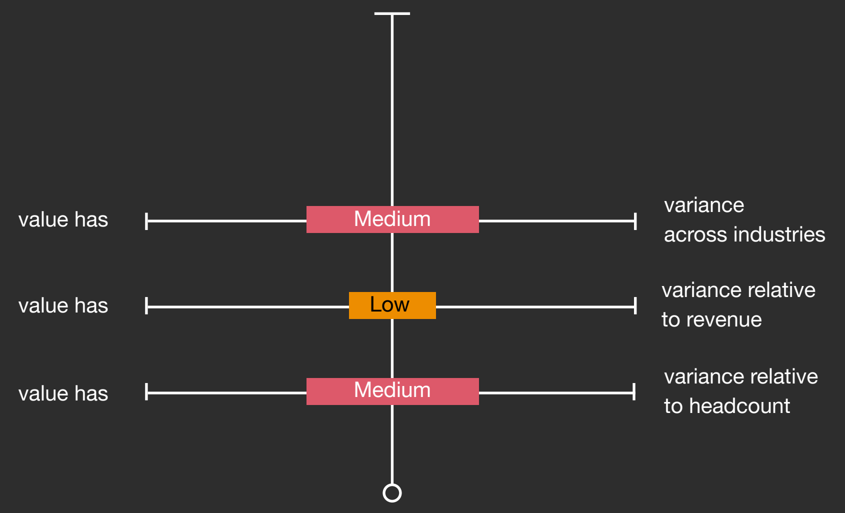
Voluntary Separation Rate

2022 National Average Value

17%



Voluntary Separation Rate is the percent of non-contingent employees that voluntarily left the organization including candidates who accepted an offer but voluntarily opted out prior to the start date and retirements. It excludes employees on disability and leave of absence, college interns, and transfers.

Similar to the Turnover benchmark a high voluntary turnover rate could be due to employee engagement factors such as dissatisfaction with immediate supervisors; frustration with comp, benefits or advancement opportunities; or a toxic culture or feeling excluded. It could also be a function of the broader job market - such as with the “Great Resignation.”

A low voluntary turnover rate may indicate effective retention strategies and positive culture but could also be a sign of “Quiet Quitting” that may negatively impact productivity and innovation.

To learn more about the causes of your turnover, consider investing in an employee listening program (such as PwC Listen) to measure engagement and culture irregularities.

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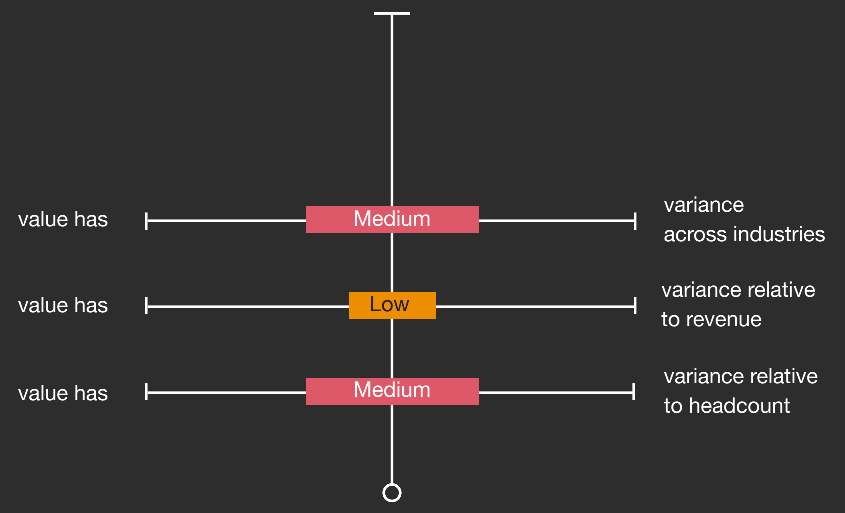
General & Administrative Function Voluntary Separation Rate

2022 National Average Value

12%



The G&A Voluntary Separation Rate is the percent of G&A employees - individual contributors or management level employees who are not in operational or sales roles - who voluntarily left the organization. G&A includes employees who work in supporting roles such as legal, IT, HR and procurement as well as C-level executives that are not tied to one specific function.

The benchmark includes candidates who accepted an offer but voluntarily opted out prior to the start date, separated per diem employees, and retirements. This excludes employees on disability and leave of absence, college interns, and transfers.

Loss of G&A employees can have an impact on the efficiency of business operations and processes. Depending on tenure, these employees could have significant institutional knowledge where gaps could disrupt the operations of other functional groups and even affect the delivery to customers. While the skills necessary for some of these roles may not be difficult to source, it can take a long time for new hires to learn the nuances of the organization. Additionally, analyzing the G&A voluntary separation rate in tandem with the overall organization's voluntary separation rate can help leaders infer the voluntary separation rate for front-line core operations, which is very important but can be more difficult to standardize and measure.

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Efficiency

Operating efficiently can help you stay competitive and improve profitability. Efficiency-related benchmarks provide insights around the structure and hierarchy of your organization. These metrics look at the proportion of leadership and management positions relative to the rest of the organization's workforce, the reporting structure of the organization, and level of support of key functional groups.

Levels

Advancement opportunities for leadership and management, cost efficiencies and decision-making barriers

Functional Group Sizes

Relative sizes of common functional groups such as HR, IT, Finance and Legal

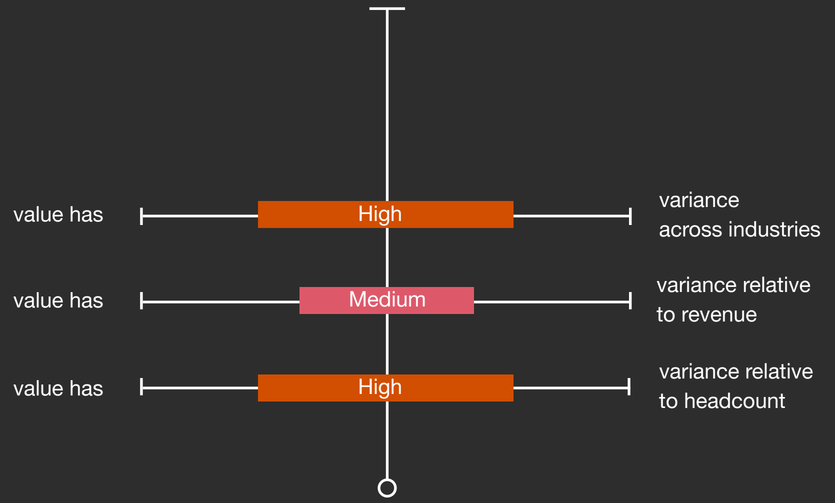
Structure

Efficiency and effectiveness relative to depth of layers and reporting structure

Management Headcount Ratio

2022 National Average Value

9 Employees/ Management (all)



The Management Headcount Ratio measures how many employees there are per management level employee. Management includes employees classified as:

- Executive (Vice President and above)
- Director
- Manager or Supervisor (excludes project managers)

Benchmarks for each of these three levels are included below.

A high management headcount ratio indicates an organization that may be too lean at the higher levels, whereas a low management headcount ratio is a sign of a top-heavy organization. An overly lean management team may leave employees feeling unsupported and could ultimately result in higher voluntary turnover rates as management may not have enough time to address employee issues appropriately or provide sufficient support and guidance. A top-heavy organization may create process inefficiencies and higher costs.

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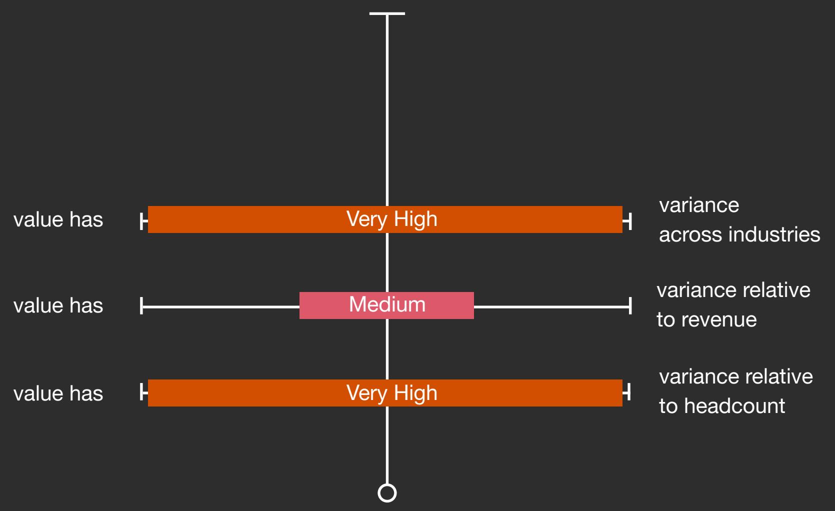
Executive Headcount Ratio

2022 National Average Value

135 Employees/ Executive



The Executive Headcount Ratio metric measures the ratio of employees per executive. Executives include employees classified as Vice President and above, including the CEO, and are included on the EEO1 job classification of “Officials and Managers”.

During periods of high growth, high promotion rates, and high G&A turnover rates can result in lower than normal executive (and management ratios). A low ratio may indicate a potential leadership gap or lack of succession planning, which could pose risks to the organization’s long-term stability and success.

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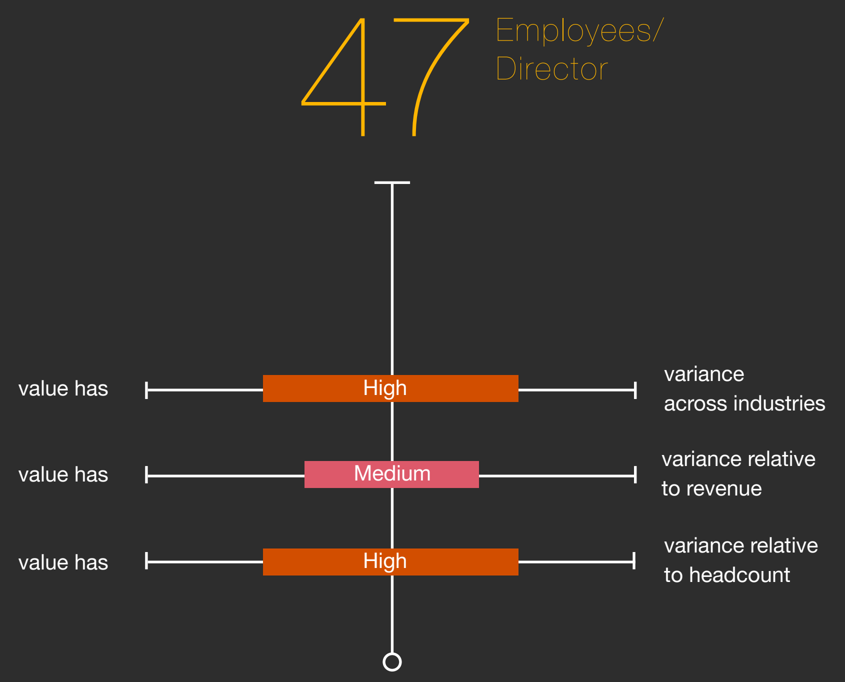
Director Headcount Ratio

2022 National Average Value



The Director Headcount Ratio is the ratio of employees per director. This relates to employees classified as directors within the EEO1 job classification of "Officials and Managers".

With director-level employees playing a critical role in strategic direction, making key decisions, and driving the success of the organization, evaluating the Director Headcount Ratio informs whether the leadership roles are balanced. A high ratio may indicate potential gaps or there are not enough director level positions, which can lead to turnover as employees look for progression elsewhere. Too many directors may indicate duplications or inefficiencies in productivity or task execution.

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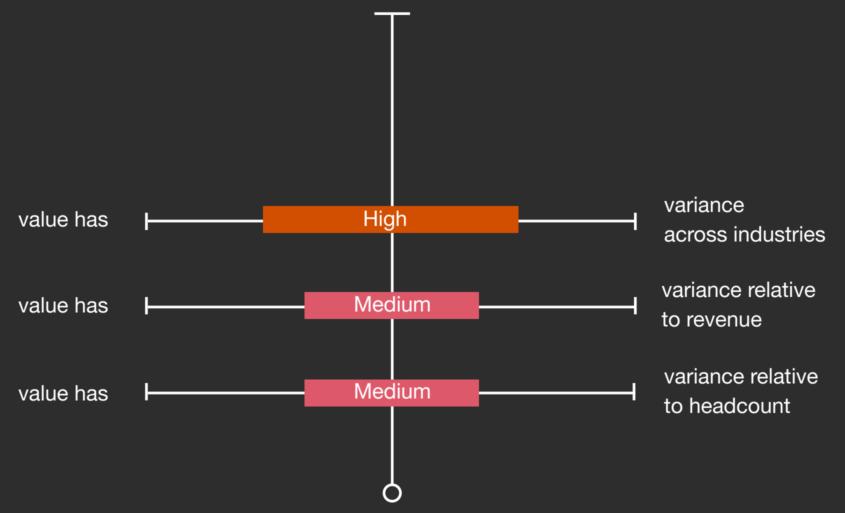
The Manager Headcount Ratio

2022 National Average Value

16 Employees/ Manager



The Manager Headcount Ratio compares the number of employees to the total number of managers as a ratio. Managers are defined as employees classified as Manager within the EEO1 job classification of “Officials and Managers”. This excludes project managers, directors, executive employees and supervisors who predominantly engage in the same activities as the employees they supervise. Supervisors are considered managers if they are classified as a manager in their EEO1 job classification.

As the first line of management in an organization, the manager headcount ratio may indicate whether you have sufficient staffing resources to manage your workforce and day-to-day operations. A low rate may indicate high turnover across managers due to a common dissatisfaction with an aspect of their shared work experience or other elements such as compensation and benefits. A high manager headcount ratio can also be a result of rapid growth of individual contributors. A low manager headcount ratio might indicate a top-heavy organizational structure that may arise from having an insufficient number of individual contributors or from over-promoting staff into management positions.

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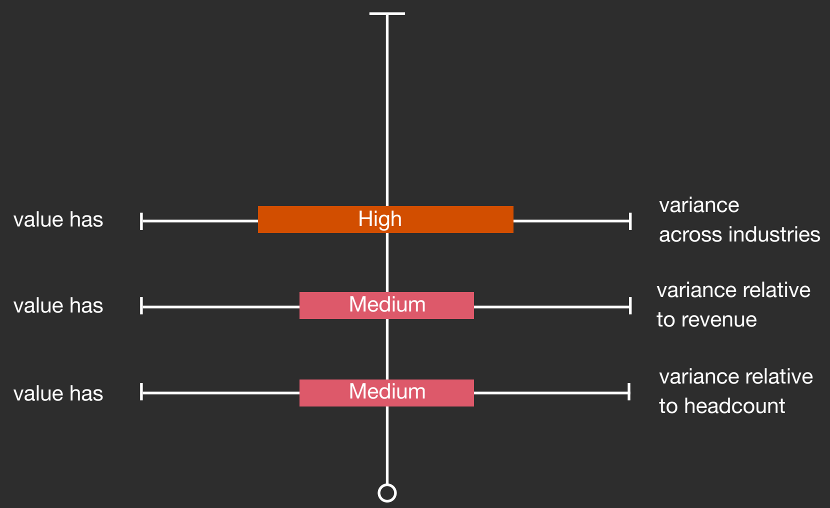
Layers

2022 National Average Value

6 Layers



Organization layers is the maximum possible number of reporting layers between the top C-suite and the lowest entry level. The top C-suite layer is included in the count of layers. Interns are excluded from this count.

The maximum number of reporting layers is an indicator of the level of hierarchy and complexity within the organization. If the number of reporting layers is higher than that of peers, it may result in slow decision-making, delayed communication, accountability confusion, inefficiencies, and reduced organizational agility. A value that is too low may indicate a flat structure with limited opportunities for career progression.

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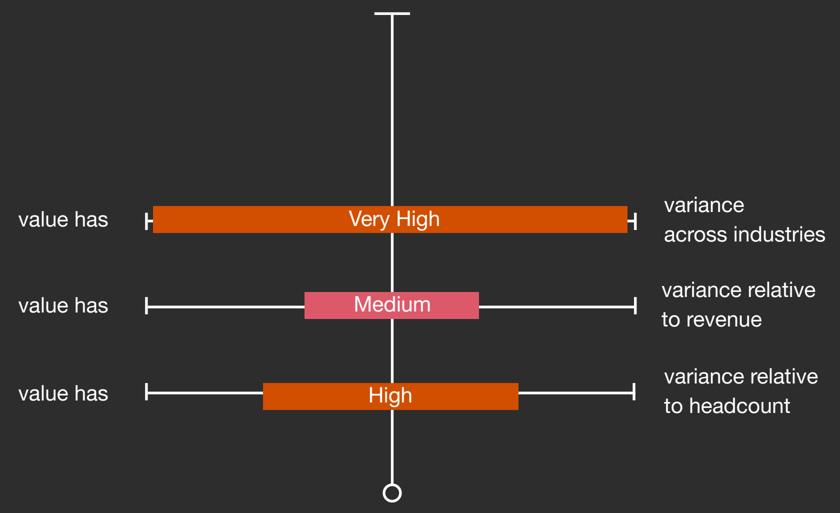
Average Number of Direct Reports

2022 National Average Value

6.4 Director Reports/ Management



This metric measures the average number of employees reporting directly to a supervisor. Managers are defined as employees classified as Manager within the EEO1 job classification of “Officials and Managers”. This excludes project managers, directors, executive employees and supervisors who predominantly engage in the same activities as the employees they supervise. Supervisors are considered managers if they are classified as a manager in their EEO1 job classification.

A low Average Number of Direct Reports per Manager can indicate inefficiencies as higher-paid managers are not managing as many people as they could. A high Average Number of Direct Reports per Manager might indicate cost savings but also indicate limited opportunities for promotion and insufficient time for managers to adequately support their people. This can also create communication and decision-making delays.

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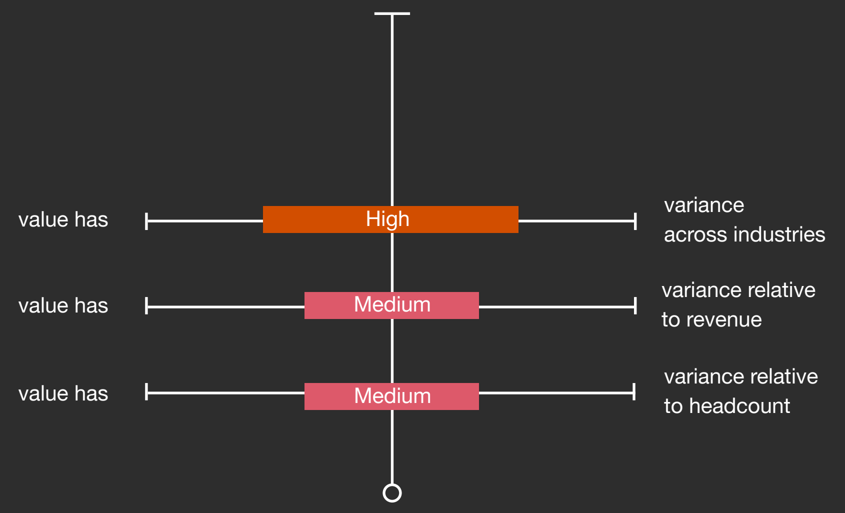
HR FTE Ratio

2022 National Average Value

84



The HR FTE Ratio is the ratio of non-contingent FTEs to HR FTEs. It includes prorated individual contributors and management supporting benefits, compensation, employee/labor relations, diversity, equity & inclusion, global mobility, talent acquisition and staffing, workforce management, communications/change management, HR customer service center, HR talent management, HR technology, people analytics, HR leadership & strategy, field HR & generalist, mergers & acquisitions (HR), and business partners. It excludes those supporting Learning & Development, security, safety functions, payroll, medical and childcare centers, and cafeteria.

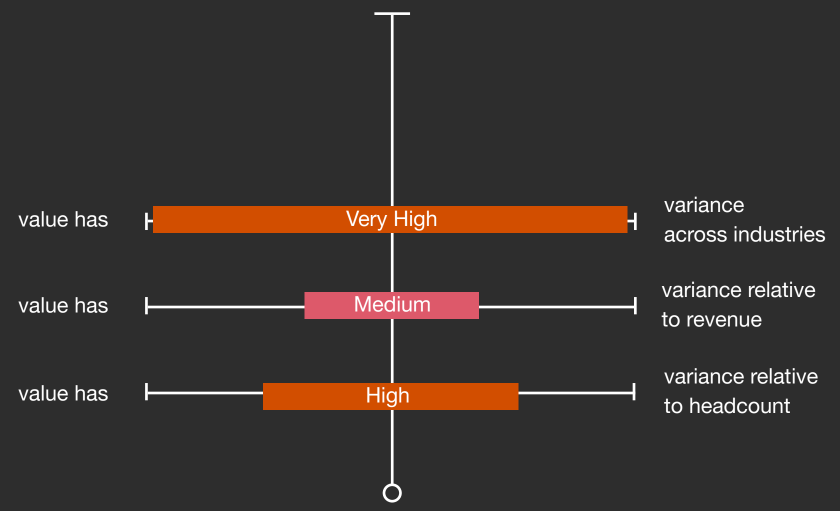
The higher the ratio, the leaner the HR team. While a leaner HR function may provide cost savings, an overly lean team may overwork HR employees and lead to higher turnover, increased compliance risks and delays in various processes related to new hires, development and benefits. Of course, a lean HR team may simply be due to significant outsourcing of the HR function.

For more precise benchmarks or help on how to make the most of workforce benchmarks, please contact us at saratoga@pwc.com. Data from 1/2022 - 12/2022.

Finance FTE Ratio

2022 National Average Value

45



The Finance FTE Ratio is the ratio of non-contingent FTEs to Finance FTEs. It includes individual contributors and management responsible for overseeing and monitoring finance and investment activities. This includes finance strategy and planning, budgeting and forecasting, management reporting, business analysis, performance improvement projects, accounts payable, travel & entertainment accounting, accounts receivable, credit and collections, general accounting and financial reporting, treasury, internal audit, process, controls and compliance, tax accounting and compliance. It excludes payroll and procurement.

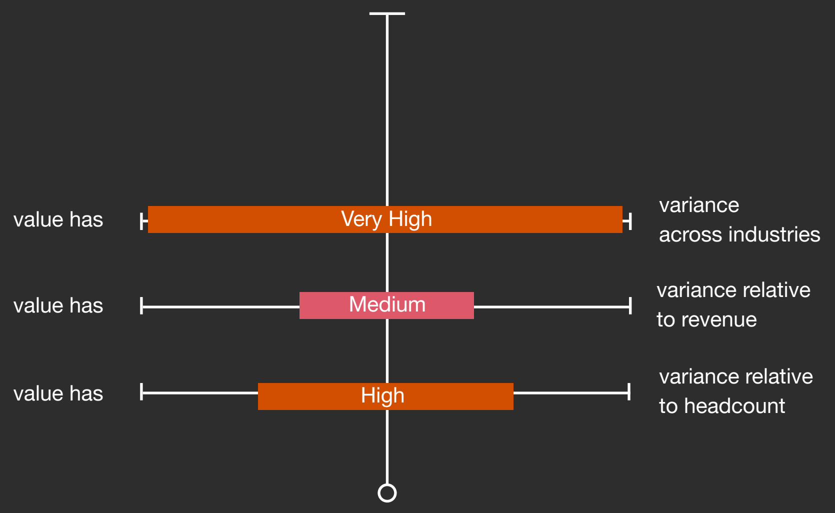
Comparing your Finance FTE Ratio to that of your peers helps determine your finance team's capacity and capability to efficiently manage the financial operations of the organization. Finance groups that are too small (high Finance FTE Ratio) may result in the organization making critical decisions despite potential delays, errors, and reduced accuracy in financial reporting, budgeting, forecasting, and other financial activities. However, a high Finance FTE Ratio can simply be an outcome of a high degree of outsourcing for the function.

For more precise benchmarks or help on how to make the most of workforce benchmarks, please contact us at saratoga@pwc.com. Data from 1/2022 - 12/2022.

Information Technology FTE Ratio

2022 National Average Value

33



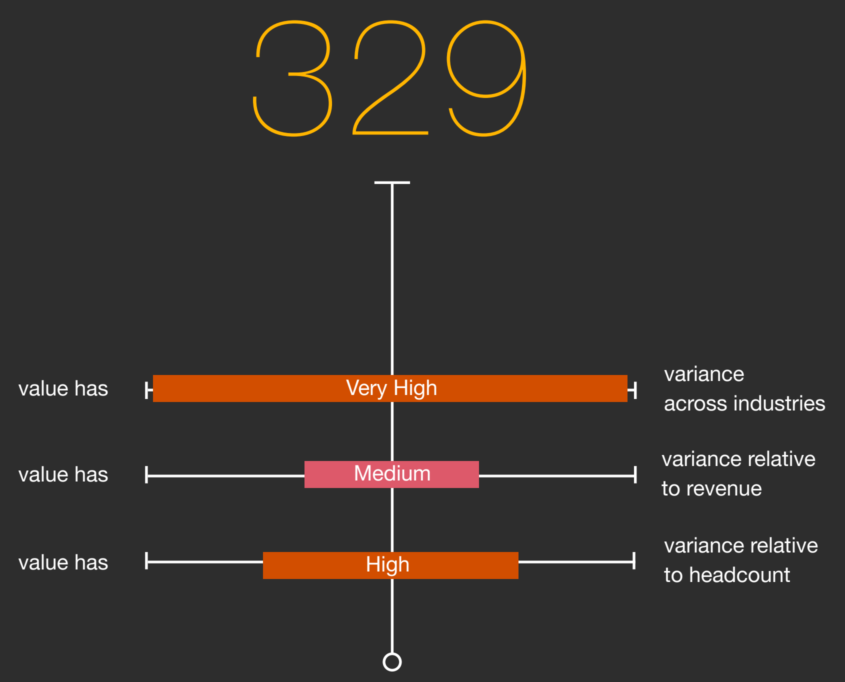
The Information Technology FTE Ratio is the ratio of non-contingent FTEs to Information Technology FTEs. It includes individual contributors and management responsible for the development, application, implementation and maintenance of IT systems, infrastructure and related services. This includes networks and hardware, telecommunications, systems analysts and programming, software and documentation, data management and warehousing, web services, network security, and help desks.

To keep your organization's systems running smoothly, having an adequately staffed IT function is crucial. IT functions that are insufficiently staffed (high IT FTE Ratio) may result in system-wide technological issues, employee frustration, and lowered productivity across the company. However, a high IT FTE Ratio may simply be a result of outsourcing within the department. IT functions that are over-staffed (low IT FTE Ratio) may experience inefficiencies in decision-making, idle workers, and unnecessary costs. As IT skills and talent have become increasingly critical to organizations, there is a greater need to focus on staffing and hiring strategies for IT or outsourcing. To better understand the state of the IT function, it can be helpful to view the IT FTE Ratio in tandem with IT function costs per employee along with an analysis of outsourcing.

For more precise benchmarks or help on how to make the most of workforce benchmarks, please contact us at saratoga@pwc.com. Data from 1/2022 - 12/2022.

Legal FTE Ratio

2022 National Average Value



The Legal FTE Ratio is the ratio of non-contingent FTEs to Legal FTEs. It includes individual contributors and management who are responsible for contract management, risk management, litigation, employee/labor law.

Your legal function is crucial in protecting your organization's interests. Whether it be confirming compliance, navigating mergers & acquisitions, reviewing contracts, or intellectual property management, having adequate legal capabilities can maintain your market competitiveness. Legal functions that are not adequately staffed (high Legal FTE Ratio) may result in non-compliance, breaches, and other grave issues across the company. Legal functions that are over-staffed (low Legal FTE Ratio) may lead to inefficiencies, idle workers, and unnecessary costs.

For more precise benchmarks or help on how to make the most of workforce benchmarks, please contact us at saratoga@pwc.com. Data from 1/2022 - 12/2022.

Equity

Tracking and measuring metrics related to the topic of equity is crucial as organizations strive to foster an inclusive work environment. As your organization adjusts systems and structures that have historically prevented full participation of historically marginalized groups, the benchmarks in this section can help identify potential disparities in the representation, opportunities, and employee experience relating to particular demographic groups. The benchmarks cover mobility, representation and turnover of selected gender and racial/ethnic groups.

While the Saratoga annual report tracks over 200 benchmarks related to the topic of diversity and equity as well as intersectional metrics that combine groups (e.g., racial/ethnic minority women), the Saratoga Workforce Index report includes only a small subset of those that are most frequently used by organizations as overall indicators.

We strongly encourage you to explore many more equity-related benchmarks available in the annual PwC Saratoga Workforce Benchmarking study and to track a set of metrics that more closely aligns with your organization's diversity, equity and inclusion initiatives and goals.

Representation

Subgroup size compared to overall company headcount

Mobility

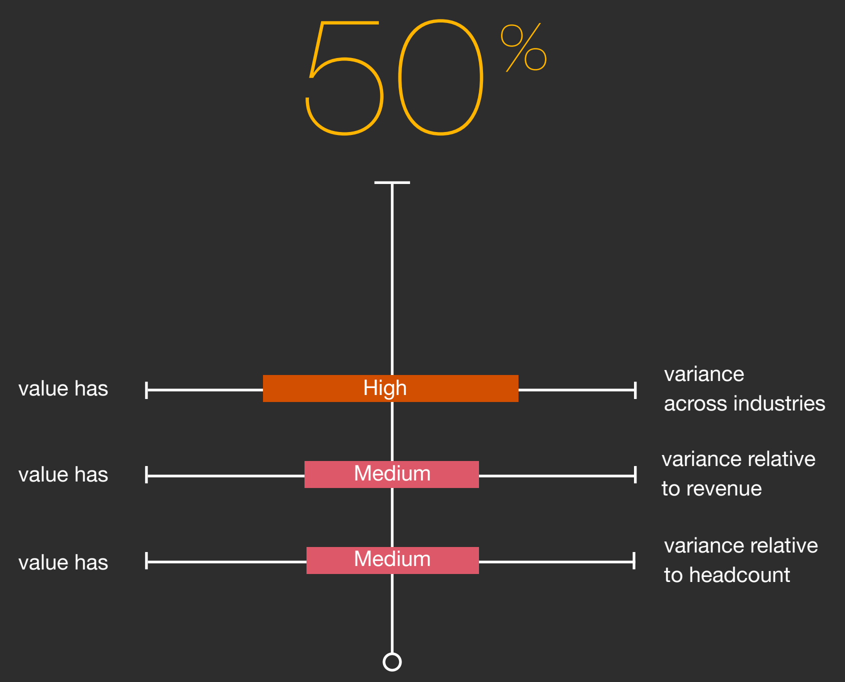
Promotion rates of specific subgroups and total promotion rate

Turnover

Turnover rates of specific subgroups and total turnover rate

Women Headcount Percent

2022 National Average Value



This benchmark indicates the percent of non-contingent headcount that reported that they identify as women. This includes per diem employees and employees on disability or leave of absence.

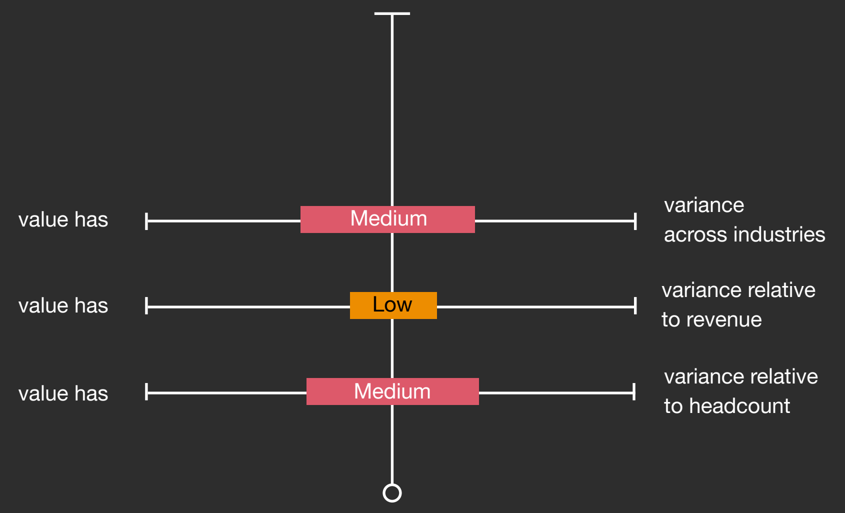
Tracking this metric for your organization and comparing against your industry's benchmark are important for understanding whether your representation of women is in line with that of other organizations. The Women Headcount benchmark is very highly dependent on the industry. Many industries, such as hospitals & health systems or education, and many functions, such as HR, have historically had disproportionately high numbers of women in those roles whereas roles in industries like utilities or manufacturing/engineering or functions like IT have historically been filled primarily by men. However, although benchmarks will help you understand your metrics relative to your peers, you may still want to set targets above or below the benchmark depending on your industry and society and adjust your hiring, development, and retention strategies to meet those other targets.

For more precise benchmarks or help on how to make the most of workforce benchmarks, please contact us at saratoga@pwc.com. Data from 1/2022 - 12/2022.

Racial/Ethnic Minority Headcount Percent

2022 National Average Value

34%



The Racial/Ethnic Minority Headcount benchmark measures the percent of non-contingent headcount that reported race/ethnicity and are of Native American or Alaska Native, Asian, Black or African American, Native Hawaiian or other Pacific Islander, Hispanic or Latinx/Latine, or Two or More Races background. This includes per diem employees and employees on disability or leave of absence.

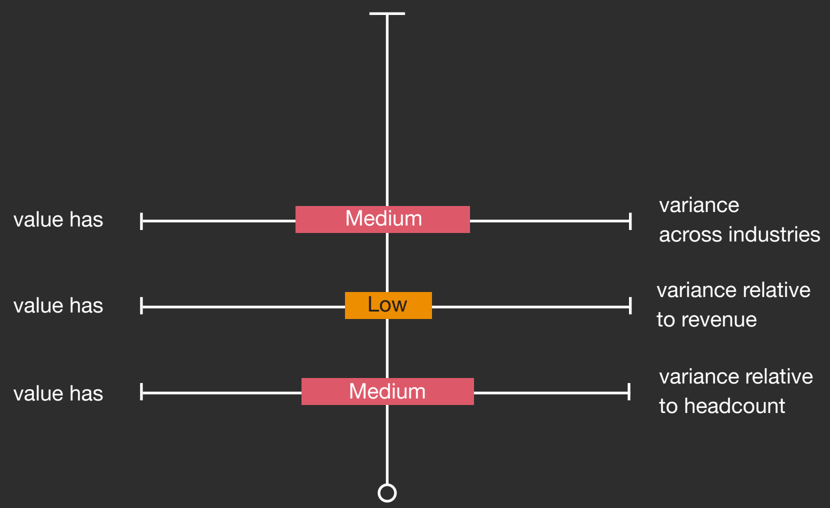
If your organization's racial/ethnic minority headcount percentage is lower than that of your peers, it may indicate a need to review your talent acquisition and retention strategies relating specifically to racial/ethnic minority employees. It is also important to review benchmarks for more specific racial/ethnic groups to identify particular hotspots for improvement and develop a plan for intentionally and thoughtfully creating a more diverse workforce. Additionally, headcount percentages can be related to various levers such as hiring, promotion, development, educational or work opportunities, and turnover. Investigate these levers to identify any issues that may be impacting your headcount percentages for various employee groups. However, although benchmarks will help you understand your metrics relative to your peers, as you work to achieve stronger DEI, you may still want to adjust your targets based on societal representation or your industry and adjust your hiring, development, and retention strategies to meet those higher targets.

For more precise benchmarks or help on how to make the most of workforce benchmarks, please contact us at saratoga@pwc.com. Data from 1/2022 - 12/2022.

Women Executive Headcount Percent

2022 National Average Value

39%



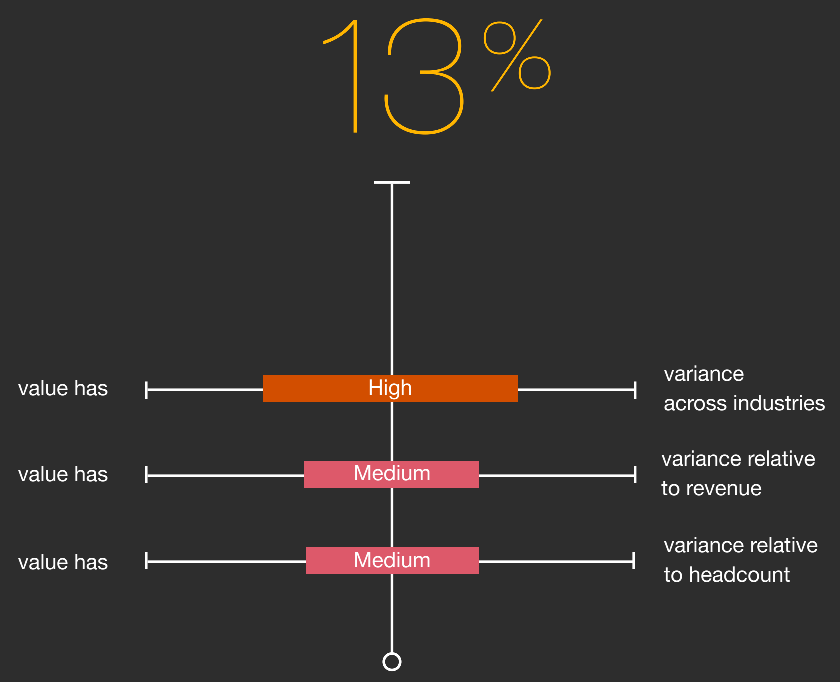
This metric measures the percent of executive headcount that reported gender and are women. Executives are defined as employees classified as Vice President and above, including the CEO, and are included on the EEO1 job classification of “Officials and Managers”.

Utilize this metric to determine if there are barriers to entry at the executive level for women. These barriers and potential gender-related bias could relate to leadership development, leadership pipeline, promotion (including promotion issues at levels below and on the journey up to executive), retention and turnover, hiring, and lack of support for work-life balance and flexibility.

For more precise benchmarks or help on how to make the most of workforce benchmarks, please contact us at saratoga@pwc.com. Data from 1/2022 - 12/2022.

Promotion Rate

2022 National Average Value



Promotion Rate measures the percent of the total headcount that was promoted to a higher-level position or one of greater responsibility. Promotions include part-time and full-time non-contingent employees and per diem employees.

This benchmark is provided as a reference point for the other subgroup-specific benchmarks in the Saratoga Workforce Index.

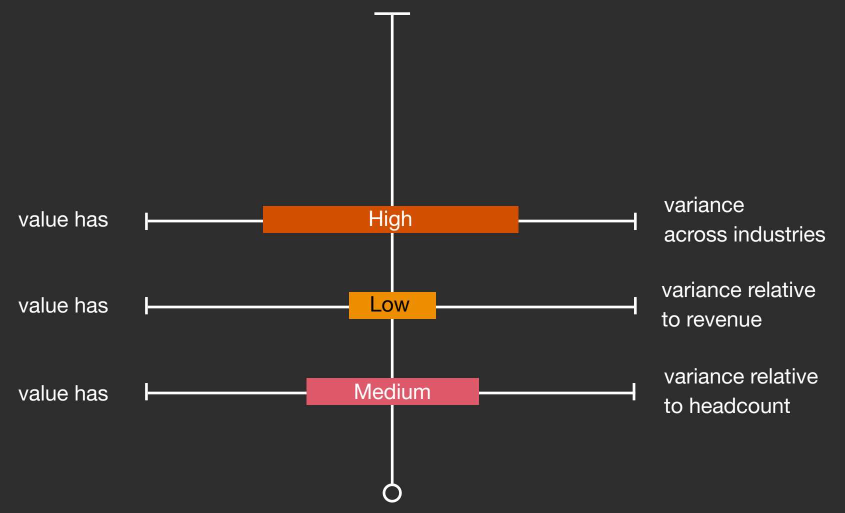
The Promotion Rate measures the upward mobility that your workforce experienced. This metric is significantly influenced by the number of roles in your organization that offer promotion opportunities. A high promotion rate can be a sign of fast-paced change or company growth. A low promotion rate can help explain high turnover rates, low employee engagement, or a flat organizational model. For a more holistic story, take other measures like turnover into consideration when analyzing your promotion rate.

For more precise benchmarks or help on how to make the most of workforce benchmarks, please contact us at saratoga@pwc.com. Data from 1/2022 - 12/2022.

Racial/Ethnic Minority Promotion Rate

2022 National Average Value

14%



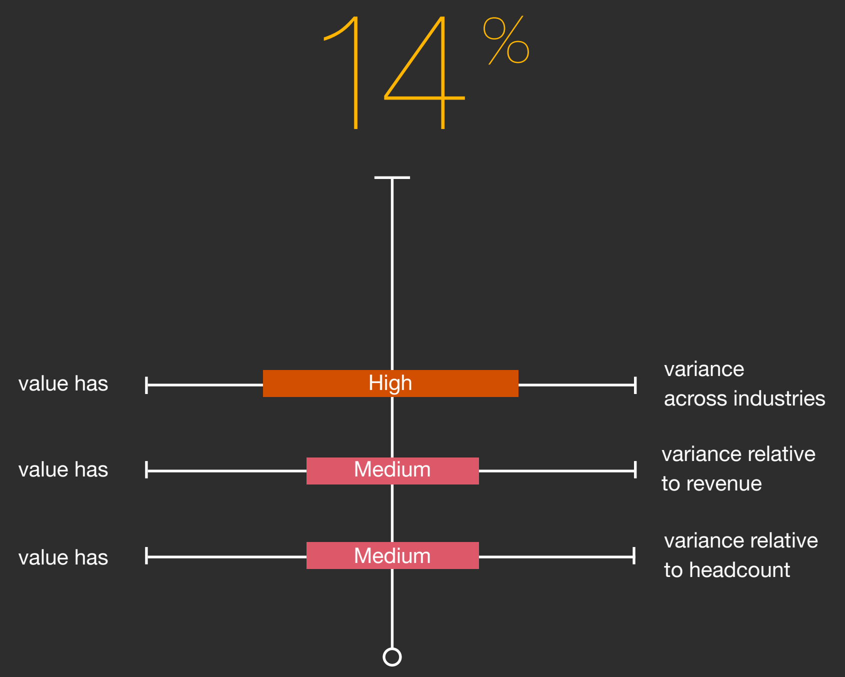
This Racial/Ethnic Minority Promotion Rate measures the percent of racial/ethnic minority headcount that was promoted to a higher-level position or one of greater responsibility. Racial/ethnic minority refers to employees who are of American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or other Pacific Islander, Hispanic or Latinx, or Middle Eastern/North African background as well as employees classified as Two or More Races. Promotions include part-time and full-time non-contingent employees and per diem employees.

If your promotion rate of racial/ethnic minority employees is much lower than that of your peers and/or lower than your organization's overall promotion rate, there may be biases or barriers in the promotion process, opportunities for advancement, and insufficient support from immediate supervisors or leaders. These barriers to promotion need to be remediated as they may present a lack of fairness, can quickly lead to a decline in employee engagement which can impact productivity, and can even pose a legal risk. This issue should be addressed and improved in a sustainable way as part of the work to achieve a more equitable organization.

For more precise benchmarks or help on how to make the most of workforce benchmarks, please contact us at saratoga@pwc.com. Data from 1/2022 - 12/2022.

Women Promotion Rate

2022 National Average Value



The Women Promotion Rate measures the percent of women headcount that was promoted to a higher-level position or one of greater responsibility. Promotions include part-time and full-time non-contingent employees and per diem employees. A requisition does not need to be open or filled for a promotion to occur.

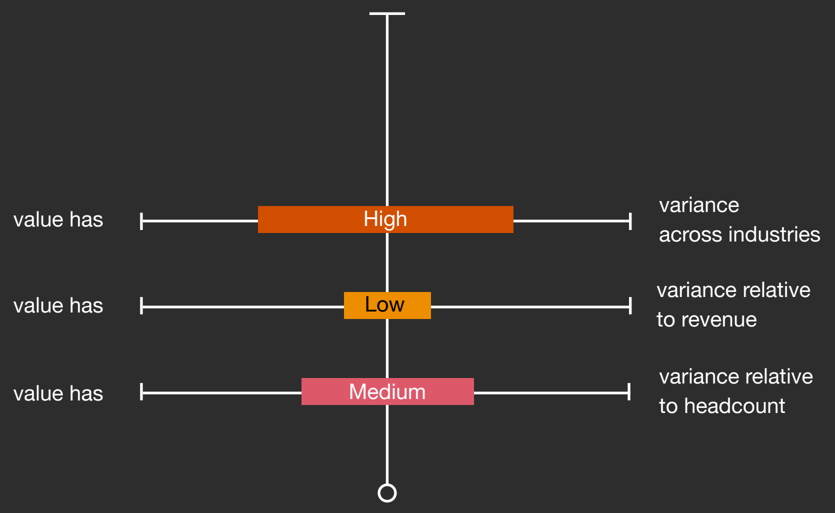
Similar to Racial/Ethnic Minority Promotion Rate, if your promotion rate of women is much lower than that of your peers and/or lower than your organization's overall promotion rate, there may be biases or barriers in the promotion process, opportunities for advancement, and insufficient support from immediate supervisors or leaders - whether related to the job itself, work-life balance, flexibility, or other areas. These biases need to be remediated as they present a lack of fairness, can quickly lead to a decline in employee engagement which can impact productivity, and can even pose a legal risk. This should be addressed and improved in a sustainable way as part of the work to achieve a more equitable organization.

For more precise benchmarks or help on how to make the most of workforce benchmarks, please contact us at saratoga@pwc.com. Data from 1/2022 - 12/2022.

Women Voluntary Separation Rate

2022 National Average Value

17%



This metric measures the percent of non-contingent employees who identify as women that left the organization voluntarily. This includes candidates who accepted an offer but voluntarily opted out prior to the start date, regular and early retirements, and per diem employees. This excludes candidates who accepted an offer but involuntarily never started employment, employees on disability and leave of absence, and college interns.

A higher voluntary separation rate for women compared to that of the organization as a whole and that of your peers may indicate potential challenges or barriers that women face in the workplace, such as unequal opportunities for growth and development, insufficient support from immediate supervisors or leaders, lack of work-life balance or flexibility, and other factors. This would require deeper investigation such as employee listening and surveying in order to gather more data to better understand the root causes – and then take steps to remedy them.

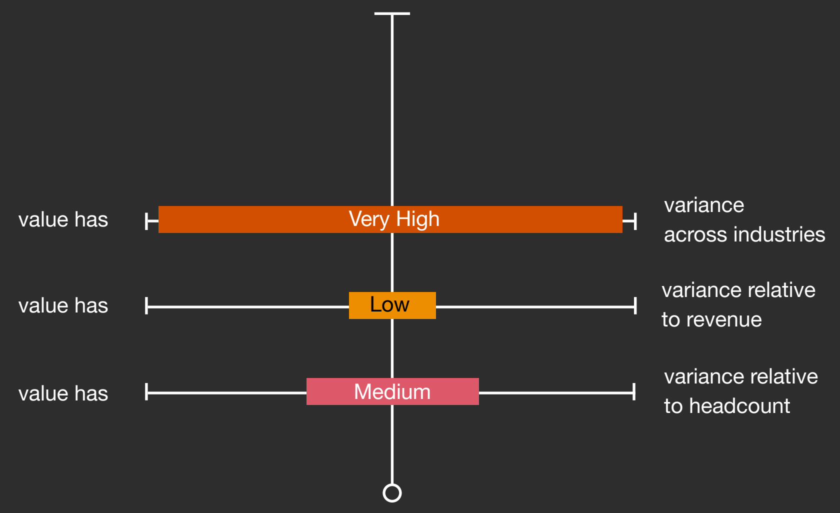
For comparison purposes, the national average for Voluntary Separation Rate (found in the Staffing section) is 17%.

For more precise benchmarks or help on how to make the most of workforce benchmarks, please contact us at saratoga@pwc.com. Data from 1/2022 - 12/2022.

Racial/Ethnic Minority Voluntary Separation Rate

2022 National Average Value

20%



This metric measures the percent of non-contingent racial/ethnic minority employees that left the organization voluntarily. This includes candidates who accepted an offer but voluntarily opted out prior to the start date, regular and early retirements, and per diem employees. This excludes candidates who accepted an offer but involuntarily never started employment, employees on disability and leave of absence, and college interns.

The Racial/Ethnic Minority Voluntary Separation Rate is often an indicator of your organization's level of equity and inclusiveness. If you have a higher voluntary separation rate among racial/ethnic minority employees compared to other organizations and/or compared to your organization as a whole, it likely points to issues such as lack of opportunities for career growth, discriminatory practices, exclusionary workplace culture, or unconscious biases. This would require deeper investigation such as employee listening and surveying in order to gather more data to better understand the root causes – and then take steps to remedy them. It is also important to review voluntary separation rates for more specific racial/ethnic groups to identify particular hotspots for improvement in employee engagement and retention.

For comparison purposes, the national average for Voluntary Separation Rate (found in the Staffing section) is 17%.

For more precise benchmarks or help on how to make the most of workforce benchmarks, please contact us at saratoga@pwc.com. Data from 1/2022 - 12/2022.

Productivity

The set of productivity-related benchmarks provides insight into how efficiently and effectively work is accomplished at your organization. The benchmarks in this report cover the amount of revenue generated per full-time equivalent as well as compensation and benefits costs as a percent of revenue, and the amount invested in learning & development per employee.

Revenue

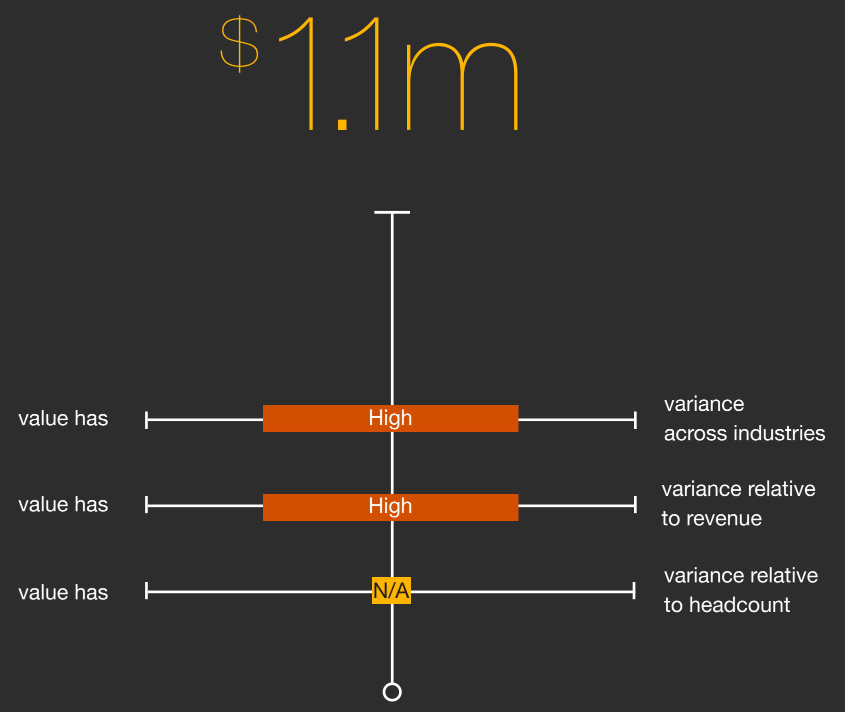
Ratio of revenue to total FTEs

Cost

Investments in labor and skills development

Revenue per FTE

2022 National Average Value



Revenue per FTE is the total company revenue divided by the total number of FTEs. Revenue includes sales and operating revenues, as well as sources of top-line revenue, all based on financial statements filed according to Generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRS).

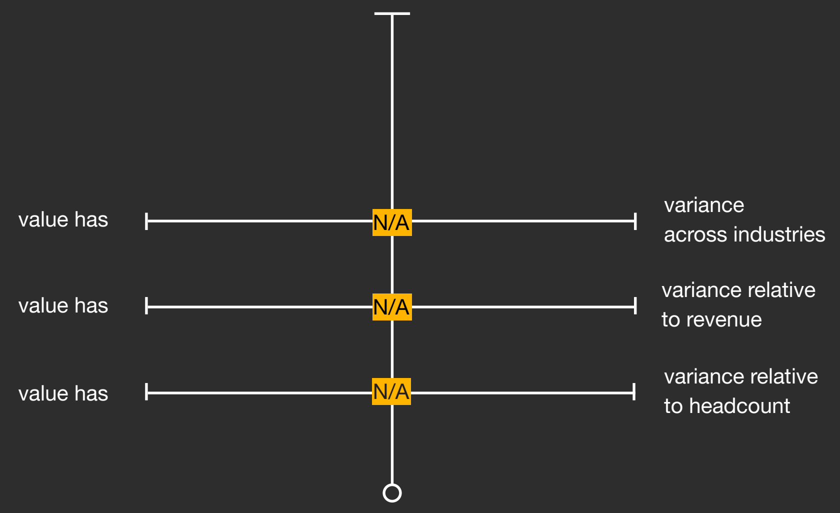
Revenue per FTE indicates the degree of growth, efficiency, and productivity of an organization relative to its workforce. In other words, this metric measures the average revenue that is generated by each FTE in an organization. It also indicates the balance of supply versus demand for a company's product or service. It is important to compare this metric against industry benchmarks, as there tend to be differences in this metric depending on the industry and the types of services or products provided. Factors like turnover can have an impact on this metric.

For more precise benchmarks or help on how to make the most of workforce benchmarks, please contact us at saratoga@pwc.com. Data from 1/2022 - 12/2022.

Labor Cost Revenue Percent

2022 National Average Value

22%



Labor Cost Revenue Percent is the total employee compensation and benefit costs as a percent of the organization's revenue. Compensation costs include regular pay, overtime, pay, pay premiums, commissions, cash performance related bonuses, sign on and referral bonuses, profit sharing, payments for time not worked, and severance pay and exclude any stock, ESPP payouts, or deferred compensation. Benefit costs include legally required payments, retirement and savings plan payments, life insurance and death benefit payments, healthcare benefit payments, and miscellaneous benefits. Revenue includes sales and operating revenues, as well as sources of top-line revenue, all based on financial statements filed according to Generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRS).

Labor cost efficiency improves as the ratio decreases – lower ratios indicate higher efficiency. However, lower values may also be due to significant outsourcing of major business functions.

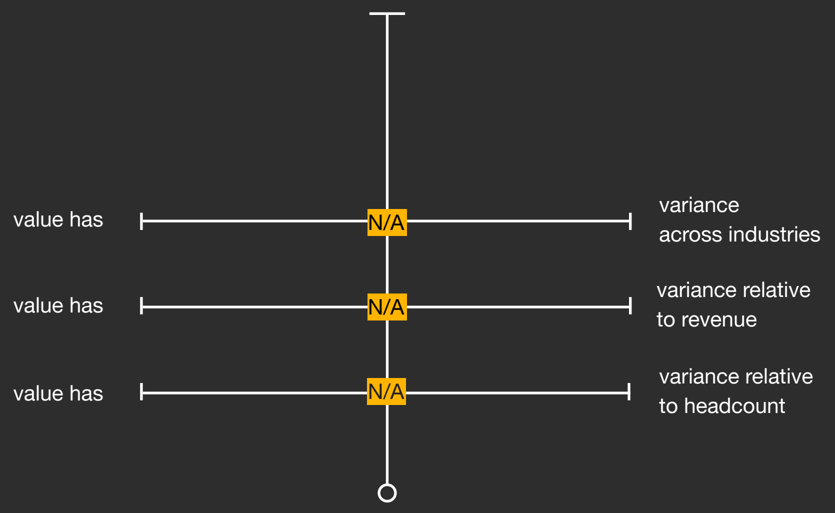
Note: This benchmark had such high variability across our random samples that we do not report the variance. We have included the national average since this is a commonly requested metric, but if you need this value, we recommend only trusting values calculated from a custom peer group.

For more precise benchmarks or help on how to make the most of workforce benchmarks, please contact us at saratoga@pwc.com. Data from 1/2022 - 12/2022.

Learning & Development Investment per Employee

2022 National Average Value

$180



Learning & Development Investment per Employee measures the average amount spent on L&D per employee. This includes the total training costs for internal and external training provided to non-contingent employees. This includes compensation and benefit costs of all training staff, food, training materials, travel costs, and room/ equipment fees for training sessions. This also includes instructor-led, computer-based, and video-based training, new hire orientation and conferences. This excludes costs related to Executive Coaching and college courses, trainee pay and benefits, and tuition reimbursement costs.

Analyzing your L&D costs in comparison to that of peers can help you understand the relative extent to which you are investing in the reskilling and upskilling of your workforce. Investing in effective and thoughtful methods of L&D can have a significant positive impact on employee development, talent retention, employee feelings of empowerment, cost reduction through a better trained workforce, and organizational performance, productivity and efficiency. It helps confirm that your employees are equipped with the necessary skills and knowledge to excel in their roles.

Note: This benchmark had such high variability across our random samples that we do not report the variance. We have included the national average since this is a commonly requested metric, but if you need this value, we recommend only trusting values calculated from a custom peer group.

For more precise benchmarks or help on how to make the most of workforce benchmarks, please contact us at saratoga@pwc.com. Data from 1/2022 - 12/2022.

Wrap up

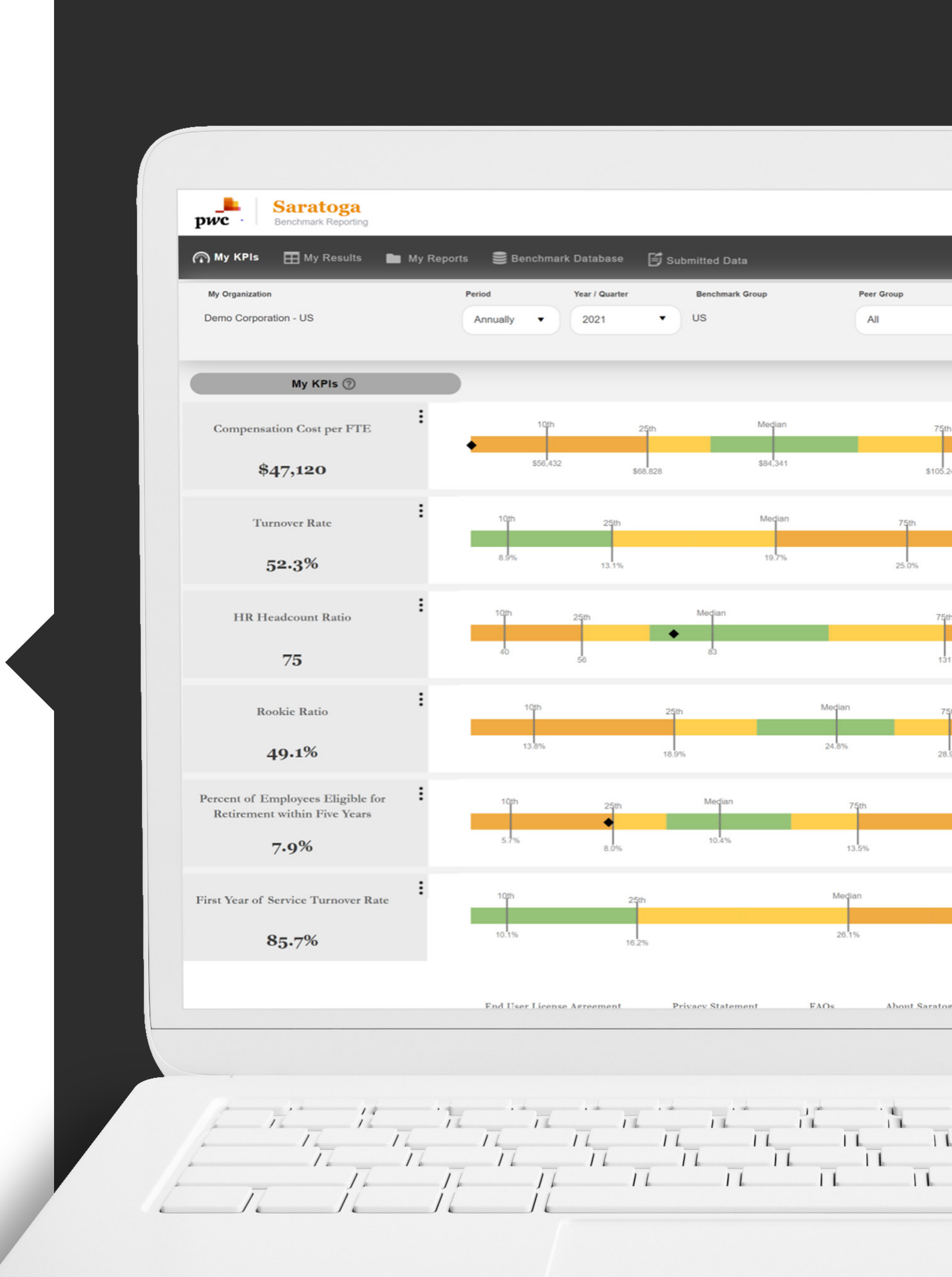
We hope that the Saratoga Workforce Index helps you facilitate discussions around workforce metrics. If you are interested in obtaining benchmarks for additional metrics or more specific benchmarks broken down by industry, revenue, headcount and more, please reach out to us at saratoga@pwc.com.

Allowable uses for the Saratoga Workforce Index

We provide these values as a reference point for discussions. However, given the high variance across industries, sizes and revenue, these national averages should NOT be used to make important business decisions or used in any formal reporting.

If you intend to use benchmarks for business decisions, please join Saratoga as a full member so you can have access to more specific comparison groups for each industry, revenue, size, profit/non-profit status and more.

With a full membership, you'll have access to over 1,000 metrics that are much more consistent and specific than a national average. The membership process is relatively simple, mostly automated and reasonably priced with a clear ROI. Contact us at saratoga@pwc.com or visit pwc.com/us/saratoga to learn how you can get access to all metrics for all industries.



Including Saratoga Workforce Index Data

If you choose to refer to these metrics in any of your materials, whether internally or externally, we ask that you include the following statement:

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You may include up to five metrics in any internal or external publication without any additional permissions. Contact us at saratoga@pwc.com if you want to use more than five or would like to reproduce the Saratoga Workforce Index in its entirety.

About Saratoga

Saratoga workforce and HR benchmarks provide reference points for executive-level discussions, context for people dashboards, and data to inform workforce and HR decisions.

Hundreds of companies across over 20 industries trust Saratoga each year to supply over 1,000 validated workforce benchmarks around turnover, diversity, staffing, productivity, efficiency, fairness, and more.

Contact us at saratoga@pwc.com to learn more.

Appendix A: Calculations

The Saratoga Workforce Index is a compilation of national averages for 37 common workforce metrics relating to US 2022 calendar year data. The average values are derived from our annual workforce benchmarking study and use the same set of definitions and formulas as that study.

As an index, our goal is to select data that is evenly distributed across our primary three dimensions:

01 Industry

02 Revenue

03 Size

Data Dimensions

While we code the annual Saratoga Workforce Benchmark data to dozens of industries, we selected only 11 of the most common industries referenced by our clients for the Saratoga Workforce Index:

01 Energy & Utilities

02 Financial Services

03 Health Insurance

04 Hospitals & Health Systems

05 Insurance (excluding Health Insurance)

06 Manufacturing/ Engineering

07 Pharmaceuticals and Life Sciences

08 Professional Services

09 Public

10 Retail and Leisure

11 Technology

Revenue categories are:

<$100M, $100-500M, $500M-$1B, $1-10B, >$10B.

Headcount categories are:

1-500, 501-1k, 1-2k, 2-5k, 5-10k, 10-25k, 25-50k, >50k.

Calculation

First, we generate 100 stratified random samples of 15 companies per industry. Out of this set, the 10 samples that show the least variance across revenue and headcount categories are used to calculate each benchmark for each dimension of industry, size and headcount. The reported value is the average across these 10 samples.

Note: As such, if you want to use our benchmarks for making important decisions, we strongly recommend that you contact us and discuss how to get more accurate results than the index can provide.
This method works well for a national average index, but is quite different from the method we use for Saratoga's annual and custom studies. When trying to provide the most accurate data to our members, we compare metrics against a single peer group of companies (e.g. a single industry or a purpose-selected set of peers) and report the distribution as the 10th, 25th, median, 75th, and 90th percentiles.

Variance

We report the variance for each benchmark for each dimension based on the percent relative range (which, for you statisticians out there, is not the same as the statistical variance - which is defined as the sum of the squared deviation from the mean for all data points, but has a similar purpose of normalizing the range to the mean). The percent relative range is calculated for each dimension:

$$(\text{Max Value} - \text{Min Value}) / \text{Mean Value} * 100$$

This is converted to Very High, High, Medium, and Low Variance to make it easier for non-math majors to consume.

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If you want to use our benchmarks for making important decisions, we strongly recommend that you contact us and discuss how to get more consistent results than the Saratoga Workforce Index can provide.

Learn more