10 HR Metrics Every Company Should Track

Plus, Five Advanced Metrics To Know

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To successfully measure how a business is performing data must be analyzed. We know that financial and sales data are imperative to tracking an organization's health—when the numbers show that profits are more than expenditures, the business is said to be healthy. Furthermore, these data over time paint a picture of how a business has fared, and can even provide the basis for an educated projection of where the business could go in the future. The same holds true for people data.

What's people data? It's all the information an organization collects about its employees: data points like age, how long they've worked for the company, gender, job role, salary, quits, performance ratings, and more job-specific data like sales quotas or closed support tickets, for instance. When this information is combined with other data points like time or departmental data and analyzed we learn how internally healthy a business is—and most importantly, we can identify any pain points to address in order to make the business run more smoothly. This is called people analytics.

We use metrics to measure and analyze people data. Metrics are simply a way of assessing a particular area within a business. Within human resources we measure categories of people metrics to understand how the organization's biggest investment—its people—is faring, and how they affect the business.

There are a core set of metrics that every company should track to understand the impact that people have on the business, and that the business has on its people. Here, we've outlined ten categories of basic people analytics metrics to know—plus, five bonus metrics for building a more advanced people analytics practice.

HR METRIC #1

Headcount

What is headcount?

Headcount is the total number of people who are doing work for the company at any given time, this includes all permanent, temporary, contingent, and gig workers.

Accurate headcount is important

70%

of an organization's budget goes toward its people costs, on average[1]

Why you need to track it

- Headcount tells you if you have enough people to accomplish your goals.
- Tracking headcount allows you to accurately measure and forecast how headcount will change, giving you the necessary information to have productive conversations with finance and enable the company to better forecast and manage costs.
- When you're not on top of headcount or how it's changing, confidence in HR's ability to effectively manage one of its core responsibilities dissolves.
- Demonstrating the ability to consistently measure, report, explain, and forecast how many people are or will be working for the company is at the core of all HR strategy.

Common headcount metrics to know

- **Permanent headcount:** An employee paid directly by an employer and works without a set end date.
- **Temporary headcount:** Sometimes also called contract labor. Temporary employees generally have a set end date to their employment.
- **Contingent headcount:** Contingent workers include freelancers, gig workers, and contractors who are not considered regular employees of a company.
- **Part time/full time headcount:** Full-time employment is usually considered between 30-40 hours or more a week, while part-time employment is usually less than 30 hours a week.
- **Salary band headcount:** Some institutions use salary bands that determine the upper and lower salary limit for workers within a type of role.

SPOTLIGHT | PANASONIC

Headcount metrics in action

Establishing one source of truth for headcount is important, but it does not negate the need for storytelling that is based on a more holistic, dynamic view of people data. By shifting the focus away from isolated headcount metrics towards dynamic trends that matter to the business, strategic HR leaders are commanding attention and gaining C-suite trust.

Head of Talent Analytics and Transformation at Panasonic North America, Lydia Wu and her team are regularly brought in by the C-suite to resolve all business challenges pertaining to talent using data and people analytics—this may start with headcount numbers, but it's communicated via storytelling. "I fundamentally believe it's our job as HR analytics practitioners to help the C-suite understand the challenges of the workforce," says Lydia. "Not just as they see it—but as the individual contributors and the frontline workers see it."[2]

HR METRIC #2

Turnover

What is turnover?

Turnover is the number of employees who leave a company over a certain period of time.

Turnover rates include employees that leave both voluntarily (when an employee decides to leave) and involuntarily (when an employee is laid off or terminated).

Did you know?

When an employee leaves an organization it sets an expensive process into motion to find their replacement—**one that may cost one-half to twice the employee's annual salary.**[3]

Why you need to track it

- Employee turnover can lead to expensive replacement costs for your business.
- Keeping a pulse on your company's turnover rates allows you to avoid inefficiencies caused by being understaffed.
- It's especially important to pay attention to voluntary turnover rates, which can lead to turnover contagion.
- Knowing your turnover allows you to accurately plan for future workforce needs and identify high areas and drivers of turnover.

Common turnover metrics to know

- **Predicted resignation:** An estimate of how many employees will resign soon.
- **Resignation trends:** How the volume of employee exits change, whether more or fewer are quitting now than in previous quarters.
- **Estimated replacement cost:** The estimated costs of replacing talent who exit the organization.
- **Resignation drivers:** The reasons employees quit, often measured through exit surveys.

SPOTLIGHT | MERCK KGaA

Turnover metrics in action

Until 2011, all Merck KGaA talent processes were designed and driven by local countries or divisions. The lack of global processes meant that data and associated analytics often varied based on the region from which they were drawn, providing no correlations across processes and locations. In short—the reasons someone quits in one country may be different in another country. Merck KGaA worked to standardize and integrate its processes and related data to enable a cohesive, global data view.

Since implementing Visier in 2016, Merck KGaA has used people analytics to reach talent achievements, including building a prediction model on what makes people leave the company in the first year of tenure in order to address turnover.[4]

HR METRIC #3

Diversity

What is diversity?

Workplace diversity is the range of differences within a company or workforce, particularly related to the categories of gender, race, ethnicity, age, and other factors. In recent years, companies have prioritized diversity, equity, inclusion, and belonging (DEIB) as demands from the public for more transparency about DEIB practices increase.

You may see diversity referred to as:

- **D&I:** diversity and inclusion
- **DEI:** diversity, equity and inclusion
- **DEIB:** diversity, equity, inclusion, and belonging

76%

of employees and job seekers said diversity was important when considering job offers[5]

Why you need to track it

- Research indicates that diverse workforces are more innovative, perform better, and can help expand a company's pool of prospective customers.
- As more leaders place a high value on increasing diversity within their companies, tracking diversity becomes increasingly important to establish your baseline and track the progress of DEIB initiatives.
- Organizations with poor track records of employee diversity or opportunities for women are less likely to attract and keep top talent.
- The U.S. Equal Employment Opportunity Commission (EEOC) enforces federal laws that make it illegal to discriminate against a job applicant or an employee because of the person's race, color, religion, sex, national origin, age, disability or genetic information.

Common DEIB metrics to know

- **Ethnicity:** Ethnicity represents social groups with a shared history, sense of identity, geography, and cultural roots, which may occur despite racial differences.
- **Gender:** This can include male, female, non-binary, two-spirited, or other more detailed designations.
- **Location:** Location details impact diversity scores because some locations will have different ethnic makeups than others; a person who is a minority in one location may be the majority in another.
- **Industry:** Different industries have different averages for diversity metrics such as gender ratios.

SPOTLIGHT | WAYFAIR

Diversity metrics in action

By putting data in the hands of their leadership, Wayfair, a major furniture and homegoods online retailer, is improving their diversity, equity, and inclusion strategies. “At Wayfair, we like to say that data is our thermostat,” says a people analytics manager there. “We value data transparency because we believe a well-informed team is better equipped to collaborate effectively toward our goals. We share people data and insights not only within our talent team, but also with managers and leaders across the business to ensure everyone is accountable for building the best team.”

Wayfair uses DEI data to ensure inclusivity is embedded in all of their people practices. Their analytics help identify opportunities to create a more diverse workforce, ensure equitable people processes (e.g., recruiting, performance reviews, compensation), and help leaders and managers steward an inclusive culture that fosters a sense of belonging and retains their people.

To help scale Wayfair’s DEI analytics function, the team partnered with Visier. “For the first time, we could easily tell the full story around outcomes for underrepresented talent at every stage of the employee lifecycle, from hiring through exit,” explains the people analytics manager. “This was crucial to understanding what the problems were, why they existed, and how to solve them.”[6]

HR METRIC #4

Compensation

What is compensation?

Compensation is the monetary benefit provided by employers to attract and retain qualified workers. Compensation can include salary, bonuses, health insurance benefits, paid time off, retirement plans, tuition reimbursement programs, and more.

Compensation consistently ranks as a top reason people quit jobs.[7]

1

Pay too low

2

No advancement opportunities

3

Feel disrespected at work

Why you need to track it

- Compensation consistently ranks in the top five reasons why employees join or leave an organization.
- Tracking compensation allows you to ensure that pay scales align with the market demand for those roles so you can competitively hire and retain qualified employees.
- Ensuring your organization pays equitably based on age, gender, ethnicity, or other factors also matters for ethical and legal compliance reasons.

Common compensation metrics to know

- **Salary:** A fixed regular monthly, bimonthly or biweekly basis, often expressed as an annual sum, made by an employer to an employee.
- **Compa-ratio:** A compa-ratio divides an individual's pay rate by the midpoint of a predetermined salary range. How close a person's salary is to the midpoint is the "compa-ratio."
- **Range minimum, midpoint, and maximum:** Related to salary band or grade, these give an estimation of whether the employee is overpaid or underpaid compared to others in similar positions.
- **Range penetration:** Range penetration compares the employee's salary to the total pay range for their position or similar positions within other companies.
- **Grade or band:** The minimum and maximum salary range offered for an employee within a position.

SPOTLIGHT | PROVIDENCE

Compensation metrics in action

Providence, a large healthcare system in the western United States, saved millions of dollars by analyzing compensation rates to pinpoint which employee groups may be most incentivized to remain in their jobs if given a pay raise. In 2020, Executive Director of Workforce Intelligence at Providence, Gary Russo, used past data to make predictions and was able to identify a group of employees where the organization would at least break even by paying them more to stay and, in some cases, would even save money.[8]

In many cases, the value of the work that an employee provides is two or three times the wages they receive. In some roles, such as the case of a highly skilled specialty nurse, the value of work can balloon past 800% of their salary. By using the estimated costs of turnover and calculating the cost to adjust salaries in the targeted groups, Gary estimated the company could save $6 million a year.

HR METRIC #5

Total Cost of Workforce

What is total cost of workforce?

Total cost of workforce (commonly referred to as "TCOW") measures the full cost of people who contribute work to the organization, including all of the labor costs and the workforce overhead costs, and all the costs that roll up into those two categories such as employer taxes, facilities, and other overhead costs.

To calculate the true TCOW, use a combination of HR, finance, and market data:

HR data
Headcount, salary and benefits

+

Finance data
Workforce overheads

+

Market data
Unemployment and salary ranges per region

Why you need to track it

- TCOW is essential to building an efficient workforce plan and staying competitive.
- Knowing TCOW helps you understand and communicate how potential decisions could impact your organization in the future.
- TCOW allows you to respond to tight labor markets strategically and calibrate your workforce costs to the current economic climate.

Common TCOW metrics to know

- **People:** This includes pay, recruitment, onboarding, training, retirement, and other costs such as insurance.
- **Overhead:** Overhead refers to the cost the company infers per employee. For example, this takes into account how many people are required to manage staff.
- **Facilities:** This refers to the rent of office space, but it also includes utilities and IT costs.

SPOTLIGHT | EMPOWER AI

Total cost of workforce metrics in action

Empower AI (formerly NCI) is a government contractor with multiple long-term, multi-year contracts. Developing their business case involves looking at current personnel and associated costs, as well as looking at which employees may be retiring during the life of the contract so the team has an opportunity to bring in lower cost personnel.

The company reviewed their hiring practices to understand the retirement forecast and the costs of the proposed staff. They also explored the costs of their veteran population (a large part of their workforce.) Since veterans often take no benefits, they could factor this into their pricing strategy and determine the potential revenue from this. Armed with this data, they developed both proposed contract pricing and also planned for the necessary operational moves to fill the contract staffing needs.[9]

HR METRIC #6

Spans & Layers

What are spans and layers?

Spans and layers are used to assess the width and depth of an organization. ***Span*** measures the number of direct reports for each manager. ***Layer*** measures the number of supervisory levels.

Why you need to track it

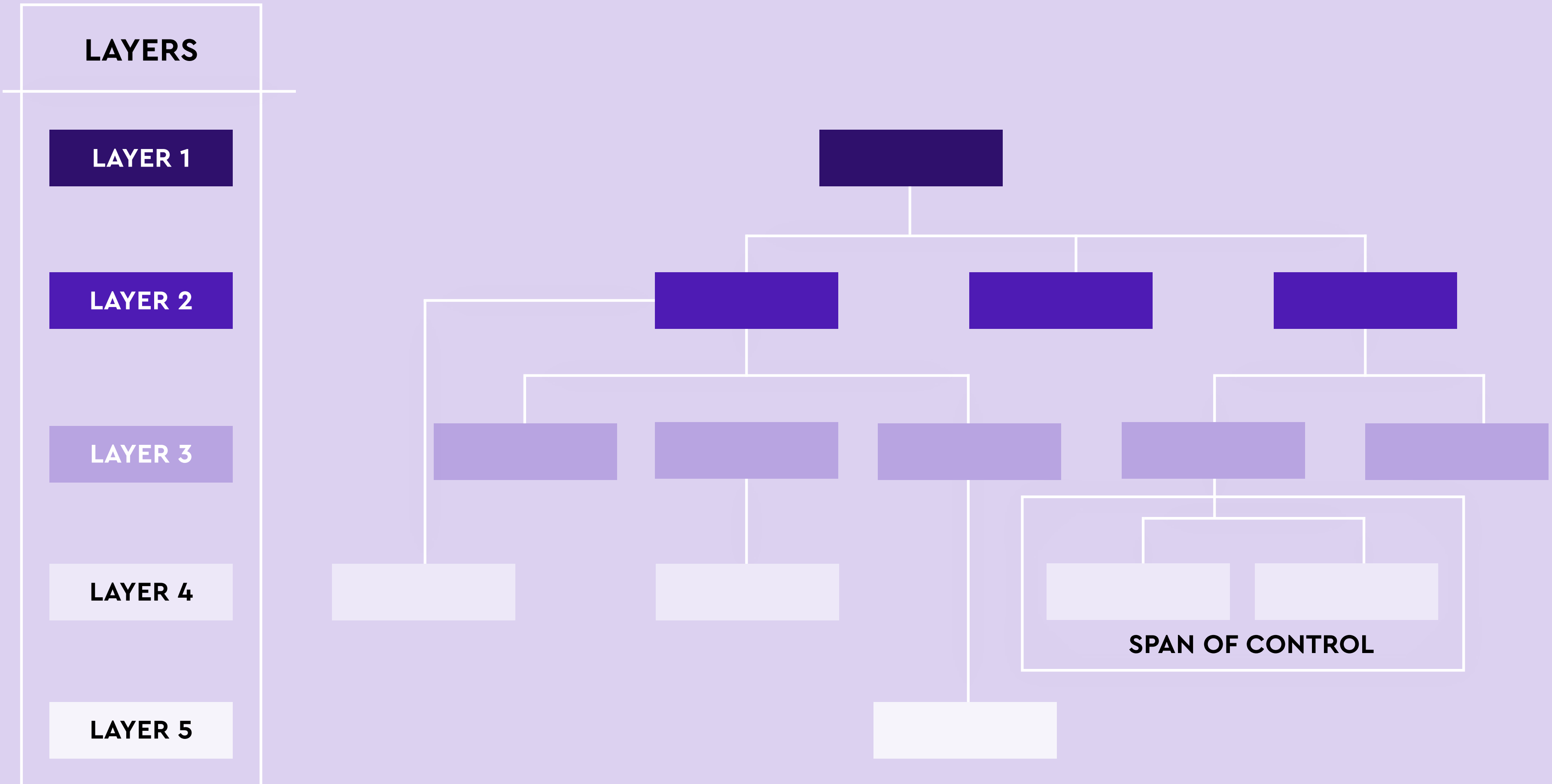
- Optimizing spans and layers increases the ability for people in your organization to take action and make decisions on their own.
- By optimizing spans and layers, your organization becomes one that can work together more effectively while reducing costs.
- Knowing your spans and layers enables you to realize efficiencies and opportunities related to salary grades and promotions and optimal span of control for each line of business.

Common spans and layers metrics to know

- **Types of work:** Different employees have different daily tasks, from answering customer phone calls to operating heavy machinery or writing legal documents for clients. These can often be separated into different types of work.
- **Standardization of responsibilities:** This measures how consistent the work processes are. Less variation or differences may allow for more employees to be managed under a single person.
- **Productivity:** This measures employee outcome, but depending on the type of work, this metric frequently (but not always) comes down to a monetary amount.
- **Performance:** For support roles that don't have an obvious productivity metric, performance metrics often rely on manager and peer estimation of the quality of work an employee completed.
- **Contingent Labor:** Contingent labor includes freelancers, contractors, vendors, and others who are not paid directly by the organization. Managing a contractor can be just as much work (or more) because of the additional responsibilities managers must take on: making sure contractors get paid, tracking their hours, renewing their contracts, etc.
- **Interdependency:** This measures how members of different teams and different job types work together. When you have a team that works very closely together, their work connects them together even if their jobs are different. Larger groups become harder to manage and it may be harder for the team members to work together effectively.

Spans and layers example

An example of layers within an organization—for instance, a departmental hierarchy from chief officer to individual contributors; and spans or how many direct reports each individual has.



SPOTLIGHT | MERCK KGaA

Span and layers metrics in action

In the interest of operational efficiency, Merck KGaA set out to find the most effective team size that would deliver the highest commercial performance. They combined data linked to performance management and various spans of control and matched this with sales outcomes for each team size range. They quickly found that no magic number exists for their span of control, instead successful teams are largely determined by their manager. Some leaders will succeed with more than 20 reports, while others do better with less than five. The one exception was direct sales teams which performed better with a smaller team size.[10]

HR METRIC #7

Employee Engagement

What is employee engagement?

Employee engagement is a concept related to the extent to which employees are positively connected with their employers, their colleagues, and the work that they do. Employee engagement metrics show employees' level of connection and involvement with the organization and tell how they feel about the company.

Why you need to track it

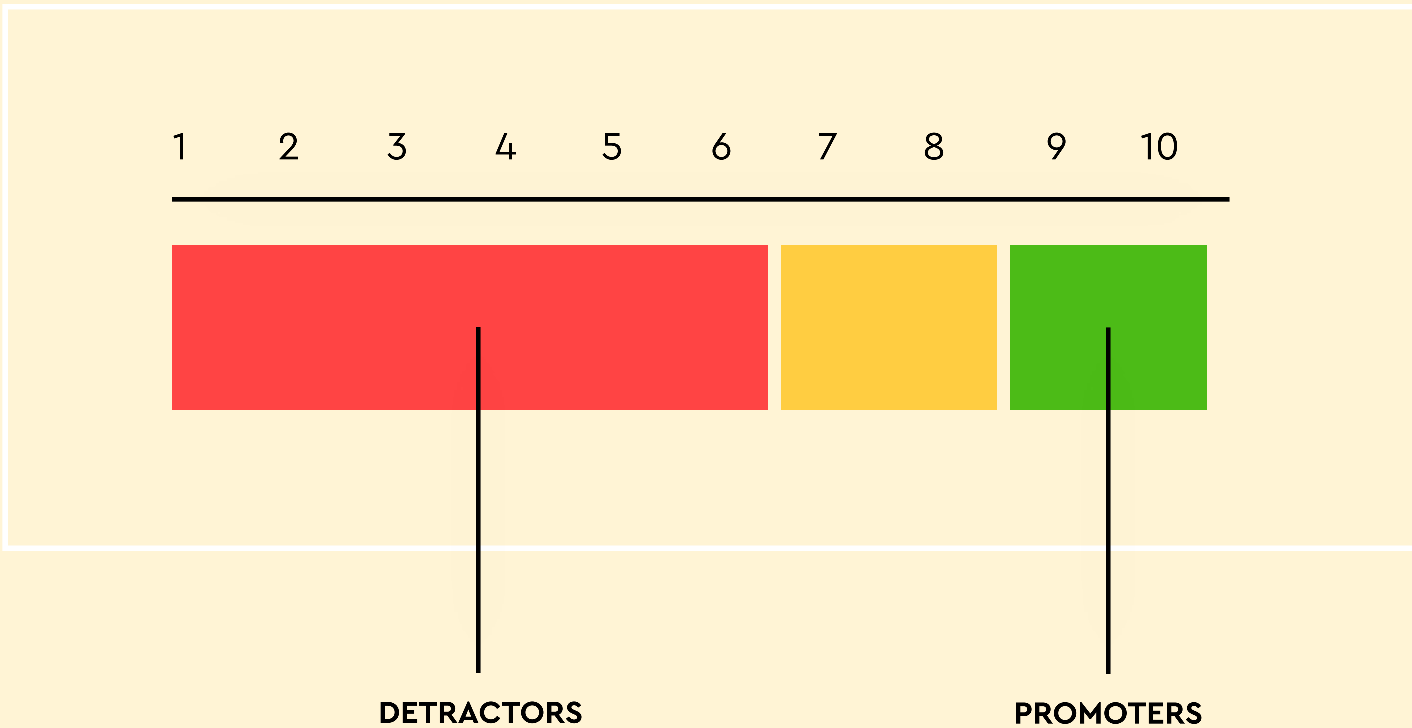
- Employee engagement feedback gives insights on burnout, manager effectiveness, workload, safety, and many other variables.
- Employee engagement often directly correlates with voluntary turnover. Lack of engagement specifically is a clear driver of turnover.
- Higher employee engagement scores correlate with higher productivity.
- When people have an experience they truly value and appreciate, they actively recommend and promote this experience to others.

Common employee engagement metrics to know

- **Voluntary turnover:** This measures employees who quit the company before the retirement age, rather than those who are terminated by the company or those whose contracts end.
- **Absenteeism:** When workers fail to show up for scheduled shifts.
- **Net Promoter Score (NPS) in feedback surveys:** This is a numerical value on a scale of 1-10 measuring employee sentiment towards their employer.
- **Employee performance:** Yearly or semi-annual performance reviews can provide insight into how an employee feels about their work.
- **Glassdoor reviews:** Glassdoor is an independent third-party provider that provides anonymous reviews of employers by current or former employees.

Employee Net Promoter Score

Employee NPS shows the percentage difference between promotion and detracting employees within a specific population. The positive and negative scores are derived from the question "how likely are you to recommend our organization as a place to work?" The answer scale is 1 out of 10. People scoring 9 or 10 are promoters. People scoring between 0–6 are detractors. The rest are considered passive.



SPOTLIGHT | eBAY

Employee engagement metrics in action

For some companies, like eBay, how and when people analytics is implemented plays a significant role in getting a meaningful read on employee engagement and experience. “Analytics really underlies all of our employee experience work,” explains Scott Judd, eBay’s senior director of people analytics.

“For every program that we have, we want to make sure that the programs are being optimized through data, that we’re being as impactful as we can, that we’re learning from our employees, what’s working and what’s not, and making quick course corrections,” he continues. “We also make sure that there are good metrics aligned with every initiative that we have so that we know how we’re tracking and how we can do better.”[11]

HR METRIC #8

Talent Acquisition

What is talent acquisition?

Talent acquisition is the process companies use to find, hire, and onboard employees. It's often also the name of the department that fulfills this function. *Recruitment* and *talent acquisition* are often used interchangeably, but recruitment is just one part of talent acquisition.

$240K

the amount a bad hire can cost a company[12]

Why you need to track it

- Talent acquisition metrics track how people move through the entire hiring process from posting a job description to accepting an offer and beyond.
- Talent acquisition metrics give you the information you need to make the right hiring decisions and avoid the troubles of gut-based hiring.
- Keeping tabs on talent acquisition can improve the efficiency of the hiring process, ensure you maintain adequate staffing levels, and help your organization meet diversity and inclusion goals.

Common talent acquisition metrics to know

- **Revenue per employee:** The amount of money generated for the company by each employee.
- **Quality of hire:** The improvement in the performance of new hires.
- **Performance turnover in key jobs:** How many successful hires in crucial positions.
- **Dollars of revenue lost due to position vacancy days:** This is calculated through revenue per employee.
- **New hire failure rate:** Number of new hires who fail to make it to the 90 day mark through quitting or being terminated, expressed as a percentage of all new hires.
- **Applications per role:** Number of applications considered for a role
- **Diversity hires:** Percentage or number of minority ethnicities, genders, or abilities for specific roles.

SPOTLIGHT | PITNEY BOWES

Talent acquisition metrics in action

At the height of the first pandemic summer in 2020, Pitney Bowes, a global ecommerce and shipping company, saw demand for their services grow exponentially as everyone wanted everything shipped to their homes. This required the talent acquisition team—and the people analytics team—to think quickly to increase their headcount.

"With a large hourly workforce like ours, you have a population that many employers around the country are competing for, so the ability to retain that talent is critical. With people analytics, we've seen major cost savings accelerated within our business, just on the ability to not only attract new talent and fill open positions, but also to retain talent that would be costly to replace," says Mike Salva, manager of HR Mergers & Acquisitions and People Analytics.[13]

HR METRIC #9

Learning & Development

What is learning and development?

Learning and development metrics track the career progression of individuals, as well as training of employees, and the impacts of training on the business within an organization.

32%

of employees who changed jobs within the past year did so to learn new skills[14]

Why you need to track it

- Tracking career development of your employees allows you to improve employee engagement, develop your existing talent, and reduce voluntary turnover.
- Career development and learning new skills are important factors to employee development, retention, and turnover. Learning new skills and better training opportunities are cited as a reason employees change jobs.
- Having employees feel comfortable using learning and development (L&D) resources to develop their skills is a trademark of a high-performance organization.

Common learning & development metrics to know

- **What skills will be needed in the future:** Skills not present currently which will be required to meet future business needs.
- **Trajectory of current learning path:** Whether the current learning and development pipeline is sufficient to meet the skills required in the future.
- **Internal hires/promotions:** How many employees are progressing to hire roles within the company.
- **Baseline of skills present in the organization:** Unlike measuring job type, this measures how many people have a skill. For example, it would measure the number of employees with a CPA rather than the number of employees who serve as accountants.

SPOTLIGHT | PTC

Learning & development metrics in action

In a learning culture, employees are encouraged to learn, share, and apply new skills and knowledge whenever possible, to improve individual and organization performance. Having employees feel comfortable using learning and development (L&D) resources to develop their skills is a trademark of a high-performance organization.

PTC, a software technology company that serves the industrial manufacturing space, knew that understanding the skills present and assessing the learning opportunities within their company would be necessary to face talent shortages. "We want to be able to take people who are in one role and say, 'You have the skill. Here's a great project that you could take advantage of and lean into that skill,'" explains Hallie Bregman, former global head of people analytics.

Hallie found that using people analytics to not only understand where their organization stood at present in terms of learning, development, and skills to guide a learning plan, but they also provided unexpected benefits in the areas of talent acquisition and retention, too. Their approach to applying people analytics in this area, "Provided development opportunities for our employees and certainly provides advantages to the business in terms of efficiencies since we don't have to go out and externally recruit. It helps us retain our talent and helps us use the folks we have more effectively."[15]

HR METRIC #10

Workforce Planning

What is workforce planning?

Workforce planning means figuring out how many and what kind of workers your organization needs during a given time period to support growth and ensure profitability. Calculating this number involves determining the number of staff members needed for each department.

There is a projected shortage of more than

3 MILLION

essential low-wage health workers in the next five years and a projected shortage of nearly 140,000 physicians by 2033[16]

Why you need to track it

- Workforce planning allows you to identify and fill the gaps between your company's workforce of today and what your business will need in the future.
- When companies don't track workforce planning, they're at risk of lacking the necessary people to achieve business goals.
- You can use workforce planning as a forecasting strategy to identify and analyze your business needs in terms of the qualifications, experience, knowledge, and skills you need and better prepare your talent acquisition teams to find them.
- Strategic workforce planning results in less padding in staffing projections and plans, as well as decreased need for open requisitions.

Common workforce planning metrics to know

- **Absenteeism:** The rate of employees taking scheduled or unscheduled time off.
- **Attrition and turnover rates:** How many people are leaving the company.
- **Time to proficiency for new hires:** The amount of time it takes for a new hire to complete onboarding and ramp up to an average level of proficiency.
- **Tenure, seniority, experience levels:** Tenure and seniority refer to how long an employee has been within a company or a department/role. Experience levels refer instead to skills an employee may have brought with them from other work.
- **Skills coverage:** Whether there are enough employees with skills to meet the demands of the workflow. For example, are there enough repair technicians to meet estimated customer demand?

SPOTLIGHT | FINANCIAL SERVICES

Workforce planning metrics in action

A financial services organization used Visier to considerably improve its workforce planning process, saving $97M. It reduced its workforce planning cycle by 25%, improved the accuracy of its hiring plan from 78% to 95%, and increased the accuracy of its headcount plan from 60% to 95%. This translated to a significant increase in precision. In the first workforce plan created with **Visier® Planning** showed their previous plan had been padded by over 1,000 headcount: The actual headcount needed through year end was around 30.[17]

BONUS

5 Advanced Metrics To Know

What is employee burnout?

Employee burnout is a state of emotional, mental, and often physical exhaustion brought on by prolonged or repeated stress most often caused by problems at work.

70%

of burned out employees would leave their current job[18]

Employee burnout

Why it's important

- Employee burnout is an issue of productivity and workplace wellness, and is a significant driver of resignations.
- Identifying and preventing burnout can improve turnover, engagement, and morale.

Common employee burnout metrics

- **Overtime hours:** The hours an employee works that exceed their scheduled working hours.
- **Long work streaks:** A set of consecutive days worked by an employee longer than a maximum limit set by your organization's policy.
- **Digital day length:** The amount of time an employee spends at their digital workspace throughout the day. Too many hours is an indicator of impending burnout.

What is productivity?

Productivity captures the amount of work a person can perform, or the amount of work output a person can generate in a given amount of time.

Did you know?

Engaged employees are **21% more productive.**

In fact, highly-engaged employees also experience a 41% reduction in absenteeism, 59% less turnover, and 28% less internal theft.[19]

Productivity

Why it's important

- Having a productive workforce is critical to your organization's ability to achieve their business goals and operate efficiently.
- As hybrid and remote workforces continue to take shape and evolve, productivity is constantly evolving, too. Today, productivity is measured less in hours worked and more in work produced.

Common productivity metrics

- **Revenue per employee:** The amount of revenue an employee generates.
- **High performers:** High performers bring in the most results. They're often those who are bringing in the most money, making the highest-quality products, and driving the most value and productivity out of the raw product that's been given to them.
- **Average time to productivity:** The amount of time it takes for a new employee to become productive.

What is succession planning?

Succession planning is the process of looking at your workforce, determining what positions are at risk of becoming vacant due to retirement and turnover, and considering how you will address potential skills gaps through training, promotions, and talent acquisition.

Good rule of thumb

Aim to have replacements ready for 90% of all key positions at any time, in case the person who is currently in a critical role leaves unexpectedly.[20]

Succession planning

Why it's important

- Succession planning allows you to minimize the risk of critical skills gaps emerging when someone leaves the organization.
- Succession planning is related to workforce planning in that HR leaders need to know if the most critical positions are being filled.

Common succession planning metrics

- **Succession coverage ratio:** The percentage of employees that are in positions requiring a successor and have at least one successor candidate flagged as "ready now."
- **Manager instability ratio:** The ratio of employees that have had more than one direct supervisor within the preceding twelve-month period.

What is manager effectiveness?

Effective managers make work meaningful, create structure, build relationships, harness passion, and support employee growth in a way that helps the organization stay competitive through periods of disruption.

82%

of employees would consider quitting due to a bad manager[21]

Manager effectiveness

Why it's important

- Effective managers help your people learn new skills and can coach them through stretch projects to achieve business goals.
- Managing people isn't simply a technical process. It relies on relationships and building the levels of trust and communication that make the difference between average and great performance.

Common manager effectiveness metrics

- **Manager engagement score:** You can use the manager engagement score to identify how effective your leaders are. When a manager's engagement score is significantly lower than similar work groups in the organization, this is an indication that the manager is falling short.
- **High performer resignation rate:** You can use this metric to see if specific managers or work units are losing more high performers than others.
- **Promotions actioned:** By looking at promotions actioned across your organization, you can see from which work units and managers more people than average are being promoted. This indicates which managers are more effective at growing talent.

What is rehiring?

Rehiring refers to hiring a former employee back into your organization. Employees that return to an organization are sometimes called "boomerang" employees.

27%

of new hires in 2021 had worked at the company before[22]

Rehiring trends

Why it's important

- Rehiring employees can save your company in training time and costs since they're already familiar with your company, products and services, and likely have an internal network they're familiar with.
- Returning employees can have a positive impact on your company culture as your current employees see people voluntarily rejoin the team.
- An elevated rate of rehired employees is an endorsement of your company's health and culture because former workers would come back again.

Common rehiring metrics

- **Rehire rate:** The percentage of new hires that are former employees.
- **Quality of new (re)hire:** The performance of a newly hired employee during their first 90 days of employment—how does it compare to non-rehires.
- **Time to productivity:** The number of days until a new hire starts to achieve KPIs.

Endnotes

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Visier's purpose is to reveal the human truth about your workforce and contribute to a better future.

Visier was founded to focus on what matters to business people: answering the right questions, even the ones a person might not know to ask. Questions that shape business strategy provide the impetus for taking action, and drive better business results.

Visier delivers fast, clear people insight by using all the available people data—regardless of source. With best-practice expertise built in, decision makers can confidently take action. Thanks to our amazing customers, Visier is the market leader in Workforce Analytics with more than 15,000 customers in 75 countries around the world.

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