

# HUMAN RESOURCES ANALYTICS

*Delivering metrics linked to business results*



## Capturing the Opportunity of HR Analytics

The ability to capture, analyze, and gain insights from the right set of data enables organizations to increase profits. This analytical capacity brings customer understanding that increases revenue and a clear line of sight on streamlining business processes to cut costs.

This continuous quest to extract value from data that provides competitive advantages in the marketplace has attracted the attention of Human Resources leaders.

Those HR departments that crack the analytics code will understand the impact that the right people could have on business results.

Many HR departments have recognized the opportunities that linking HR metrics to business results could bring. Building this capacity requires the development of their HR team towards a more analytical, data-driven mindset. It calls for the alignment of new processes with the HR department and with the business. It demands the right tools and technology. And it hinges on change agents that will embrace the new HR analytics culture.



## Key HR Metrics

How do you start developing the right HR metrics for your company? How do you ensure these metrics support long-term performance and link to business results? Here are three key metrics to start the conversation:

### Total Compensation Revenue Ratio

This number shows how much a company spends on employees to generate revenue.

Comparing the ratio against historical data can show if the labor force efficiency is improving, deteriorating, or stable.

It's key to calculate this metric for different segments of your headcount in addition to the entire organization. By comparing commercial vs. back office staff, divisions, product lines and regions, you will start understanding and questioning investments needed to support revenue growth.

Compute the figure by dividing annual labor cost (compensation + benefits) by annual revenue.

### Turnover Cost

Keeping track of the turnover rate over time and conducting exit interviews only gets you half way to the true cost of turnover.

Tracking the actual dollar cost corresponding with different turnover rates will provide information for fact-based cost reduction.

This metric can direct HR to specific areas of the business driving turnover costs and help evaluate the root cause. Start by calculating the turnover cost for each role within a company. Those numbers serve as a baseline for at least 3 years.

To determine the fully loaded turnover cost, sum the pre-departure cost + vacancy + orientation and training + admin and hiring.

### Absence Rate

This number provides a look at just how many days your workers are missing.

This number not only reveals lost productivity, but could also reflect employee satisfaction rates.

Compare the highest and lowest rates for each department. HR needs to ask critical questions about who is directly managing each group of employees, and why are some rates higher or lower than average? By digging into these questions, HR leaders can help the company address lost productivity.

Compute the number of days absent per month divided by the average number of employees during a month x the number of workdays.



## Our Solution

ProgresSum Human Resources Analytics effectiveness relies on an end-to-end approach.

Our team can harvest the right pieces of data – even if it's housed in multiple systems – and turn it into business intelligence that is linked to business results.

We know exactly how to pull all the data together to create a flexible, secure, and reliable cloud-based solution tailored to your specific needs, giving HR the precise tool to address and communicate business needs 24/7, from anywhere and right at your fingertips.

## Contact Us

Let us work with you to deliver the HR Metrics that matters to your business.

For more information please contact:

[contactus@progresSumanalytics.com](mailto:contactus@progresSumanalytics.com)

+1 636.253.3476 (USA)  
+507 6.679.2536 (Panama)  
+32 479.624.626 (Belgium)  
+34 650.906.236 (Spain)

