



## 10 HR Metrics to Track in 2024





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This is your guide to understanding the critical metrics that matter to your C-suite so they can see HR in a brand new light.



## In an uncertain economy, HR can help lead the business.

HR leaders face uncertainty. The New York Fed estimates a 56% chance of a recession in 2024. Interest rates, though falling, are still at 20-year highs. And though the “great resignation” appears to have tapered off, the job market is still hyper competitive, with many industries facing what appears to be long-term staffing shortages.

**In this guide, we’ll show you the metrics HR leaders can track to help guide their organizations through the next 12 months.**





# Recruiting

*What keeps your C-suite up at night:*



Can we fill key roles fast enough?



Can we find good, quality people?



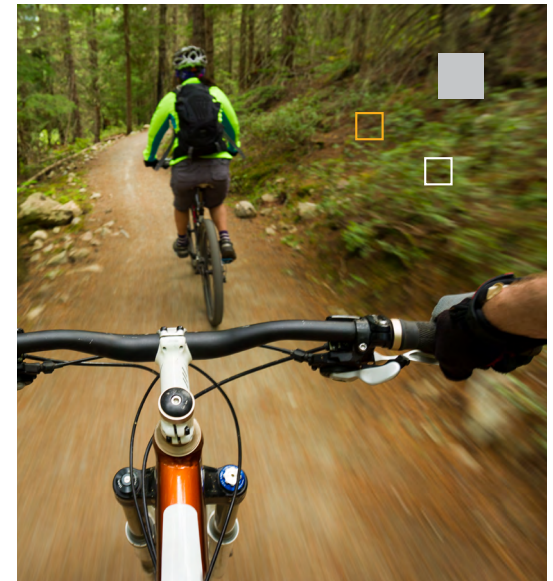
How much is it going to cost to recruit and hire them?

## THE LABOR SHORTAGE CONTINUES

**In 2024, the hiring market will still be primarily candidate driven, with more job openings than available talent.** Some industries, like manufacturing and healthcare, will continue to see even more significant gaps in talent. According to a Robert Half survey, 51% of employers plan to increase salaries in 2024 to attract talent.

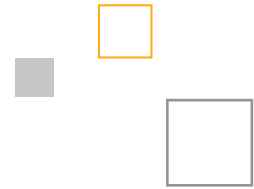


RECRUITING





To help,  
HR needs these metrics:




1.



Can we fill key roles fast enough?

Time-to-Fill

2.



Can we find good, quality people?

Referral Rate

3.



How much is it going to cost to recruit and hire them?

Cost-per-Hire



# 1. Time-to-Fill



## WHAT IS IT?

A metric that tracks the number of days it takes to fill a job, from job req to offer accepted.

## HOW TO CALCULATE IT:

$$\frac{\# \text{ of days to fill}}{\# \text{ of roles available}}$$



## WHY IT MATTERS:

Time-to-fill can reveal important things about the effectiveness of recruiters and your overall recruiting process, including:

- if the hiring process is taking too long
- if you need to plan your hiring needs further in advance
- if you're using the right channels to advertise the position



How do you  
**stack up?**

Time-to-fill in 2023 reached an  
all-time high of 44 days.

*(Josh Bersin & AMS)*

*(The good news: 88% of employers say employee referral programs are the best source of applicants. More on that on the next page.)*



## 2. Referral Rate



### WHAT IS IT?

Employee referrals occur when current employees refer candidates for job opportunities at a company.

### HOW TO CALCULATE IT:

$$\frac{\% \text{ of referred employees hired}}{\# \text{ of total candidates hired}}$$



### WHY IT MATTERS:

According to a 2022 Aptitude Research study, employee referrals continue to be employers' top source of hires, delivering between 30-50% of all hires.

**Employee referral programs can reduce the time it takes to fill open positions** and yield higher quality candidates who stay longer.

How do you  
stack up?

Employee referrals account for 30-50% of all hires.



# 3. Cost-per-Hire



## WHAT IS IT?

A measure of the total recruiting costs of finding and hiring candidates.

## HOW TO CALCULATE IT:

$$\frac{\text{total hiring costs}}{\text{total \# of hires}}$$



## WHY IT MATTERS:

**Cost-per-hire identifies how much you're spending to find talent.** Everything from recruiting software to onboarding costs go into this metric.

How do you  
stack up?

The average cost per hire is *nearly \$4,700.*





# \$ Labor Costs

*What keeps your C-suite up at night?*



Are employees engaged and productive?



How much are employee absences costing us?



Are we overspending on labor?

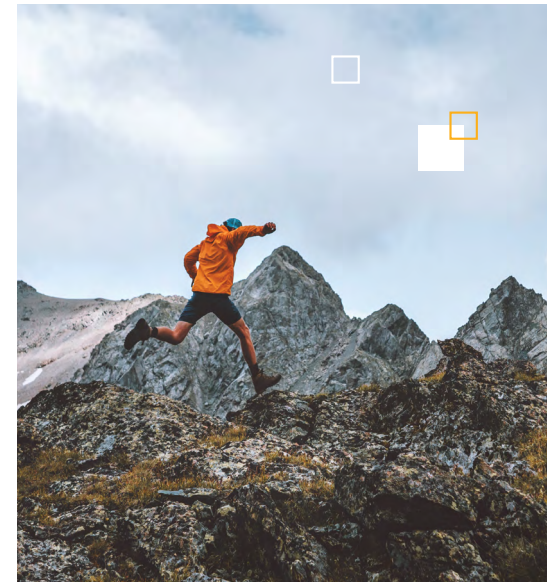


Are we compensating employees correctly based on market rates?

## THE BIGGEST COST OF DOING BUSINESS


**Paycor found that 47% of HR teams don't regularly meet with finance.**

That's a problem. Labor costs are far and away the biggest expense for most companies. Historically, HR was removed from labor costs, but today the C-suite is desperate for HR's expertise to help them figure out how to optimize labor costs.



To help,  
HR needs these metrics:


4.



Are employees engaged and productive?

Absenteeism Rate

5.



How much are employee absences costing us?

Total Financial Impact of Absences

6.



Are we overspending on labor?

Total Labor Costs

7.



Are we compensating employees correctly based on market rates?

Actual Total Compensation vs. Budget



# 4. Absenteeism Rate



## WHAT IS IT?

The percentage of days an employee misses unexpectedly during a specific measurement period.

## HOW TO CALCULATE IT:

$$\frac{\text{unexpected absences}}{\text{total period}} \times 100$$



## WHY IT MATTERS:

Employees miss work on any given day for a variety of reasons, but **unexpected absences add up, impacting productivity, team morale, and overall performance.** Drilling down into why employees are absent can identify if internal problems within the organization are to blame.

How do you stack up?

The average absence rate for full-time employees is 3.6%.  
47% of overtime is used to cover shifts when team members are out.





# 5. Total Financial Impact of Absences



## WHAT IS IT?

The compensation value of the total number of days employees are absent during a given period.

## HOW TO CALCULATE IT:

$$\begin{array}{c}
 \text{annual salary} \\
 \div \\
 \text{expected annual workdays} \\
 = \\
 \text{salary per workday}
 \end{array}$$



## WHY IT MATTERS:

**Absenteeism can stall productivity, limit team performance and impact profit margins.** Whether managers are forced to rearrange schedules or employees work overtime to fill the gaps, the effects are felt across the organization.



How do you stack up?

Absenteeism costs businesses an average of \$1,685 per employee.



## 6. Total Labor Costs



### WHAT IS IT?

The aggregate cost of all hours worked by employees, plus payroll taxes and benefits.

### HOW TO CALCULATE IT:

$$\frac{\text{total sales revenue}}{\text{total payroll}}$$



### WHY IT MATTERS:

**Accurate labor costs allow you to identify trends.** If your overtime costs have been unusually high lately, you'll only be able to uncover the cause with accurate, easily accessible payroll data. From there, you can derive insights into:

- when the most overtime hours are logged
- which departments or employees are working overtime
- whether a similar peak occurred in the past

How do you  
**stack up?**

A typical labor cost percentage is  
*between 20-35% of gross.*

(Lead Staffing)



# 1. Actual Total Compensation vs. Budget



## WHAT IS IT?

The total amount of compensation and benefits awarded to employees as part of their employment relationship compared to the budgeted amount over a given year.



## HOW TO ANALYZE THE DATA:

Take your actual total rewards and compare them against the budgeted amount to help with forecasting and future proofing.



## WHY IT MATTERS:

Is your spending on par or over the budgeted amount for total compensation? **High margins could indicate that you failed to account for a specific benefit, reward or merit increase.** If you're under budget, look for creative ways to improve your complete benefits offering to attract new talent and retain your top performers.

How do you stack up?

U.S. companies increased salaries by 4.4% in 2023, the highest year-over-year increase in 22 years.





# Turnover

What keeps your C-suite up at night?



Is our turnover rate higher than the industry average?



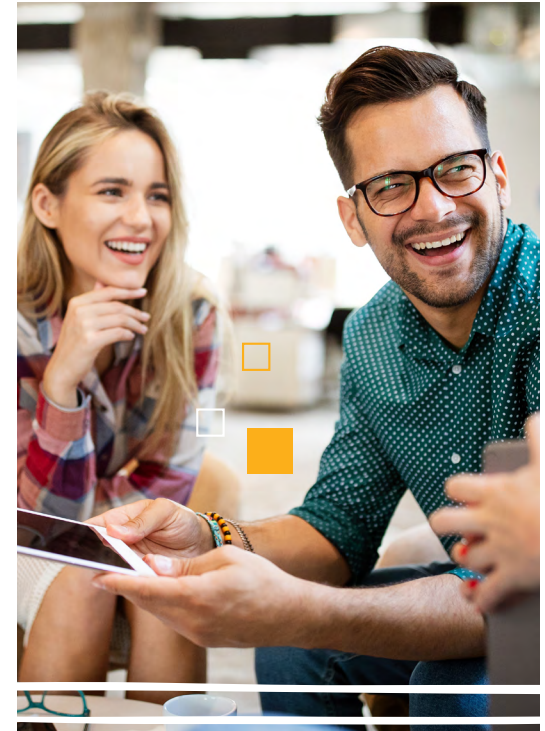
Are we hiring the right employees?



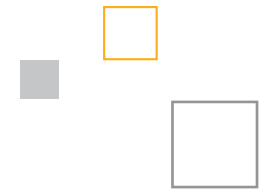
Where are we losing the most employees?

## THE LABOR SHORTAGE CONTINUES

**Economic conditions in 2024 are as uncertain as in 2020, but for different reasons.** Although the job market is cooling from the peak of 2021–2022, job openings remain elevated, as do quit rates, especially in some industries. Restaurants, for example, are seeing turnover rates as high as 75%. *(Push)*



To help  
HR needs these metrics:




8.



Is our turnover rate higher than the industry average?

Turnover Rate


9.



Do we have hiring issues or managing issues?

Voluntary Turnover Rate

10.



Where are we losing the most employees?

Turnover by Segments





## 8. Turnover Rate



### WHAT IS IT?

The percentage of employees leaving a company within a certain measurement period.

### HOW TO CALCULATE IT:

$$\frac{\text{\# of employees who left}}{\text{total \# of employees}}$$

*(During a given period.)*



### WHY IT MATTERS:

If your **turnover rate** is higher than industry average, it can indicate deeper issues within your organization or within specific departments or locations. But before you panic, remember that **turnover depends on a variety factors** including seasonality and industry.



How do you  
**stack up?**

The overall national average for turnover in the U.S. was 3.8% in 2023.



# 9. Voluntary Turnover Rate



## WHAT IS IT?

The percentage of employees that voluntarily leave a company within a certain measurement period.

## HOW TO CALCULATE IT:

$$\frac{\text{\# of employees who voluntarily left}}{\text{total \# of employees}}$$

*(During a given period.)*



## WHY IT MATTERS:

People quit all the time. It's just part of doing business. But if you **take a closer look at turnover patterns you'll be able to determine if it's a hiring or a managing issue.**

How do you  
**stack up?**

The first year is critical—among employees who quit, **38% will quit in their first 12 months** at a new company.



## 10. Turnover Rate by Segments



### WHAT IS IT?

The percentage of employees that voluntarily leave a company within a certain period of time and analyzed by specific factors like turnover by department, location, or manager.



### HOW TO ANALYZE THE DATA:

Take your turnover rate and drill down into trends by locations, departments, or managers.



### WHY IT MATTERS:

**Drilling down into why employees leave can help you identify problem areas** like bad managers or burnout before they become real issues.

How do you  
**stack up?**

*Only 25% of companies* say their leaders are engaged and inspire employees to the best possible extent.



# Get Actionable Insights for Your Business



Paycor Analytics software gives you deeper insights into your business. And now, with Paycor's AI assistant, you can actually talk to your data, making it easier than ever to get answers to your most pressing questions.

## GET AN AI BOOST

Paycor's AI assistant allows leaders to ask questions about data and get answers in natural language. The assistant delivers explanations with charts and infographics, so users can interpret the data correctly and easily.

## MAKE CONFIDENT DECISIONS

Take the complexity out of HR analytics with technology that provides real-time insights and benchmarking. Make better decisions with data and easily create custom dashboards, perfect for sharing.

## SEE AROUND CORNERS

Paycor Analytics uses a predictive data model to identify the probability and extent of employee turnover in the next 12 months, so you can make strategic interventions now.

## Learn more about [Paycor Analytics](#).



“Partnering with Paycor has been a game changer for us. We're able to benchmark our organization to others and see how we're performing in areas like diversity, equity, and inclusion. Having that information front and center has been immensely helpful in steering our organization.”

— Lytia Watson | Vice President of Human Resources | Deceuninck North America





## About Paycor

Paycor's human capital management (HCM) platform modernizes every aspect of people management, from recruiting, onboarding and payroll to career development and retention, but what really sets us apart is our focus on leaders.

For more than 30 years we've been listening to and partnering with leaders, so we know what they need: a unified HR platform, easy integration with third party apps, powerful analytics, talent development software, and configurable technology that supports specific industry needs. That's why more than 30,000 customers trust Paycor to help them solve problems and achieve their goals.

[LEARN MORE AT PAYCOR.COM](https://www.paycor.com)

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