

A guide to Key Performance Indicators(KPIs) for the CHief Human Resource Officer/ Chief People Officer

Section 1: Instructions for using the KPI Guide in your Performance Management System

- Identify the relevant KPIs: Depending on your role in the organization, you may want to focus on different KPIs. For example, HR professionals may want to track cost per hire, while managers may be more interested in the time-to-fill metric.
- Determine the time frame: Decide on the time frame for tracking each KPI. For example, you may choose to track the number of qualified technical candidates sourced and engaged per month.
- Collect the data: Collect the necessary data to calculate each KPI. For example, to calculate the candidate acceptance rate, you will need to know the number of job offers accepted and the total number of job offers.
- Calculate the KPIs: Use the formulas provided in the table to calculate each KPI.
- Interpret the results: Once you have calculated the KPIs, interpret the results to evaluate the effectiveness of the performance management system. For example, if the time-to-fill metric is high, it may indicate that the recruitment process needs to be streamlined.
- Use the results to make improvements: Regularly collect the necessary data for each KPI. Keep track of the results over time to monitor performance, identify areas for improvement, and ensure compliance with regulations. Use the insights gained from the KPIs to make improvements to the performance management system. For example, if the candidate satisfaction rate with the recruitment process is low, consider making changes to improve the candidate experience.

Section 2: Key Performance Indicators For Role Chief Human Resource Officer/ Chief People Officer

KPI	Detailed Description	Formula to Calculate
Employee Turnover Rate	This KPI measures the rate at which employees leave the organization.	(Number of employees who left) / (Average total number of employees)
Recruitment Efficiency	This KPI measures the effectiveness and efficiency of the recruitment process.	(Number of positions filled) / (Total number of positions opened)
Employee Engagement Index	This KPI measures the level of employee engagement within the organization.	Average score from employee engagement surveys
Training and Development Investment	This KPI measures the investment in employee training and development.	Total cost of training and development initiatives
Absenteeism Rate	This KPI measures the rate of employee absenteeism.	(Total number of employee absences) / (Total number of workdays)
HR Service Response Time	This KPI measures the speed of response from HR to employee inquiries or requests.	Average time taken to respond to HR inquiries
Compensation and Benefits Cost	This KPI measures the total cost of employee compensation and benefits.	Total cost of compensation and benefits for all employees
Employee Satisfaction Score	This KPI measures the satisfaction level of employees with HR services.	Average rating of employee satisfaction surveys

Compliance with HR Policies	This KPI measures the extent of compliance with HR policies and procedures.	Percentage of compliance with HR policies and procedures
HR Budget Efficiency	This KPI measures the effectiveness and efficiency of HR budget utilization.	$\frac{(\text{Actual HR expenses})}{(\text{Planned HR budget})} * 100\%$