HR NINJAS
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HR Metrics Survey March 2023

HR Metrics that IMPACT

Find out how your organisation measures up
with essential HR metrics in your industry.
Where do you sit?

Measuring Up

Have you ever wondered how well your organisation is performing against other companies in your industry sector?

As HR professionals and leaders, we know that our organisation's HR metrics are critical indicators of success. However, getting other departments, such as finance and operations, to see the value of these metrics can be challenging. To make an informed business case we need to demonstrate how our metrics, backed up by reliable data, compare to those of other companies in our industry sector.

Or in other words – how you can demonstrate where you are, and where you want to be - in relation to industry benchmarking.

Lizzie Henson, founder of HR Ninjas is fascinated by the popularity of HR Data Analytics and Benchmarking as a hot topic within the group.

In fact, these types of questions tend to pop up in our Facebook group chat all the time, she says:

"Is our cost-per-hire higher than other industries?", "How does our recruitment time-to-fill compare to the national average?" and "Is our annual absenteeism rate normal?"

"That's why we've teamed up with our very own HRIS partner, element**suite**, to conduct a research survey on some of the most common HR Metrics collected from Ninjas from various industries across the UK.

This way, organisations can get a more comprehensive view of where their HR metrics sit compared to other industries and make an informed business case to the c-suite, when it comes to improving HR strategies."

"We hope the benchmark data is useful for the whole community to benefit from, and who knows - this may spark much more interest in a deeper level of analytics that we can maybe share and explore as a group together."

HR NINJAS

HR Ninjas is the UK's largest free online HR community, founded by Lizzie Henson. With over 25,000* HR professionals in the Facebook Group, the community provides valuable support and insight to its members, underpinned by its philosophy of always being #strongertogether.

To better understand HR metrics across various industries, we conducted a HR Benchmarking Survey from 1st to 23rd February 2023 with over 500 HR professionals participating in the survey.

Thank you to all the HR Ninjas that have participated, this would not have been possible without your input. We really hope you find this insight valuable in your role.

thehrninjas.co.uk

Lizzie Henson Founder of HR Ninjas

*information correct at time of publication – March 2023

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Employee Turnover

Reasons for Leaving

- AWOL
- Dismissal
- Non-Starter
- Relocation
- Resignation

Absence Types

- Sickness
- Family
- Unauthorised
- Study Leave

Absence Rate

In 2022, following element**suite**'s webinar series on HR software selection, Lizzie identified HR Data Analytics as a topic that the HR Ninjas community wanted to explore further.

"When COVID-19 hit, everything changed" she says. "HR Professionals had to adapt their primary skillsets overnight to accommodate spreadsheets, databases and data analytics."

She continues: "Businesses needed to see HR data translated into hard objective facts so they could make tough decisions and ultimately survive in the toughest economic climate we've seen in decades."

"Since COVID, the trend has continued at pace with even more focus on HR driving bottom line value – and yet so often HR Professionals don't have the guidance they need – both in terms of what constitutes best practice, but also the HR benchmark data across industry verticals to indicate whether there is a problem."

Our objective in sharing this benchmark data is to provide the entire community with valuable insights, while also generating further interest in HR data analytics.

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element**suite** are an innovative HR Software vendor that is revolutionising the way companies manage their HR functions. With a focus on HR Tech and data, they provide comprehensive solutions for medium to large-sized clients. Some of the names on their client list include McDonald's, Travelodge, and Wesleyan, among many others.

They are also the first Ninjas partner, and provide the community with wide ranging HR technology guidance far beyond the scope of their software business interests.

Their recent "Crash Course on HR Data Insights" series was attended by over 630 Ninjas. Due to popular demand from the community, these sessions will be re-run throughout 2023 and they will be delving into HR analytics in much greater detail.

Watch this space...

The Findings

Download our infographic to see our survey findings

Metrics that Matter

When we considered the collection of an initial set of HR Benchmarks that would be most valuable for the HR Ninjas community, we took the view that collecting a small number of core HR metrics was a good place to start.

We determined that focusing on some of the most asked questions from HR departments would be a good way to validate the initial responses and create momentum within the community and in time explore advanced techniques on how to analyse HR data.

The Ninja community made it clear that they wanted benchmarks around Turnover, Absenteeism, Gender Pay Gap and Cost of Hire. However, we were also aware that diversity and inclusion were significant issues. After careful consideration, we decided to exclude diversity and inclusion from the initial survey due to the evolving classifications and sensitivity of the questions, which could make them more challenging to answer. We opted for a simple approach in this first survey to gauge response and enthusiasm for future surveys.

We were also very conscious of the need to adhere to our data security and GDPR responsibilities, so we requested for benchmark results to be submitted anonymously, and that data was shared as a simple, single figure aggregate value. This ensured that there was no chance of Personally Identifiable Information (PII) being shared by survey participants.

The survey responses were fascinating and are summarised on the following pages of the report.

The HR Ninjas Benchmark Survey

The Segments

What business sector are you in?

How many employees are there in your company?

Where is your head office or main location?

The Benchmarks

Working Hours – What are your average weekly working hours?

Time to Hire – On average, how many days does it take from creating a job vacancy to a candidate accepting an offer?

90-day Turnover – What is the % of new starters that leave the business within 90 days of joining?

Gender Pay Gap – What is the average hourly pay rate for full-time female employees?

Gender Pay Gap – What is the average hourly pay rate for full-time male employees?

Overall Turnover – What is the % of employees that leave the business annually?

Cost of Hire – What is the average recruitment cost per new hire? (Including both internal and external costs – e.g. agencies and advertising.)

Absenteeism – What is your overall % absenteeism rate?

HR FTE Ratio – What is the number of HR staff per 100 employees?

Segmentation

Data is only as good as its classification and segmentation.

In order to obtain the most useful insights possible, HR Ninjas survey respondents were asked to provide two key pieces of information: industry sector and company size.

Industry Sector

By classifying respondents based on their industry, we can establish benchmarks for HR metrics unique to each sector.

Retail & Wholesale	Health & Social Care	Professional Services	Education	Manufacturing	Hotels

Restaurants & Food Services	Construction	Transport	Public Sector & Defence	IT & Communications

Financial Services	Arts, Recreation & Entertainment	Real Estate Activities	Utilities	Agriculture	Not For Profit

Company Size

When it comes to evaluating HR metrics, the size of a company should not be overlooked. Company size can have a major impact on personnel recruitment, staff retention, and other strategies pertaining to workforce management.

Company Size	
0 - 500	~270
1,001 - 3,000	~70
501 - 1,000	~60
3,001 +	~90
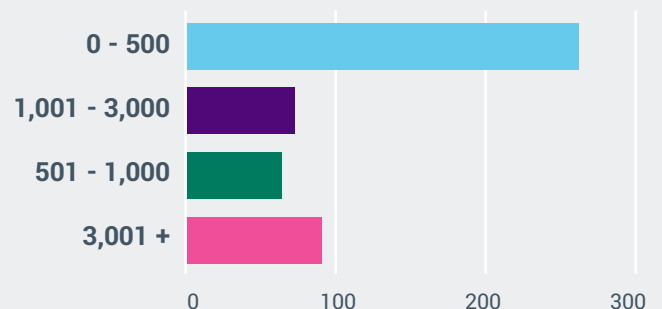
The Results

Working Hours

The shape of the working week has undergone many changes since COVID-19 hit the world in 2020. Hybrid working has remained popular, and new studies into four-day working weeks are rapidly gaining interest.

By understanding the average weekly hours worked, businesses can identify if any areas are facing excessive workloads and take the necessary steps to address it.

Across our data set, we can see that the average weekly working hours sits 1.83 hours higher than the 36.2 average weekly working hours reported by Statista in December 2022.

The **Restaurants & Food Services sector** take the top spot with staff working **9% more hours** a week on average compared to our cross-sector figure. The lowest weekly hours were reported in the **Not for Profit sector** who work **5% less hours** on average.

Average Weekly Working Hours

38.03
hours/week

Sector	Hours
Restaurants & Food Services	41.82
Agriculture	40.00
Construction	39.93
Transport	39.13
Manufacturing	38.64
Retail & Wholesale	38.50
Health & Social Care	38.36
Hotels	38.33
IT & Communications	38.14
Financial Services	37.98
Arts, Entertainment & Recreation	37.70
Utilities	37.58
Real Estate Activities	37.50
Professional Services	37.25
Education	36.94
Public Sector & Defence	36.82
Not for Profit	36.09

Highest

Lowest

Time to Fill

Time to fill measures the efficiency and effectiveness of an organisation's recruitment process.

A lengthy time to fill can often lead to increased costs associated with unfilled positions, reduced productivity, and loss of business opportunities. By contrast, a short time to fill can help an organisation to secure the best talent quickly and avoid any unnecessary delays.

Therefore, measuring time to fill helps HR teams to identify areas for improvement in the recruitment process and optimise their efforts to attract and retain top talent.

Average Time to Fill

38.40
days

Industry Spotlight

Shortest	Longest
Utilities	Public Sector & Defence
20.00 days	55.59 days

There are many ways we can try to rationalise the time to fill for these industries. For Public Sector & Defence, the result is possibly driven by additional background checks and could be impacted by external factors such as the war in Ukraine and the current economic pressures around the world.

The Utilities sector has seen energy costs soar and with booming profits they may be able to justify the extra staff/headcount.

These interpretations of the data are potentially transient rather than structural and a proper data treatment would necessitate collection with more data points over a longer time period.

| Industry	Days	
Public Sector & Defence	55.59	Highest
Manufacturing	43.87	
Not for Profit	40.22	
Health & Social Care	39.22	
Retail & Wholesale	38.45	
Transport	38.40	
Financial Services	37.65	
Professional Services	37.36	
IT & Communications	33.97	
Education	32.16	
Construction	32.00	
Agriculture	30.00	
Restaurants & Food Services	29.89	
Arts, Entertainment & Recreation	29.44	
Real Estate Activities	24.67	
Hotels	21.00	
Utilities	20.00	Lowest

90-day Turnover

Turnover (both annual and 90-day turnover) is one of the most requested KPIs from the HR Ninjas community, and it's important to note that this KPI is probably most susceptible to variation according to the market sector.

This metric provides valuable insights into the effectiveness of a company's onboarding process and the overall employee experience. If a high percentage of employees are leaving within the first 90 days, it may indicate issues with the onboarding process, such as a lack of training, unclear expectations, or poor job fit. Additionally, high 90-day turnover can be costly for an organisation in terms of lost productivity, recruitment costs, and the potential negative impact on morale.

The survey results show an average 90-day turnover of **9.09%** which is consistent with overall industry averages.

Our results are also consistent with expected variation by sector with 90-day turnover demonstrating a significant variance in range.

Average 90-Day Turnover

9.09%
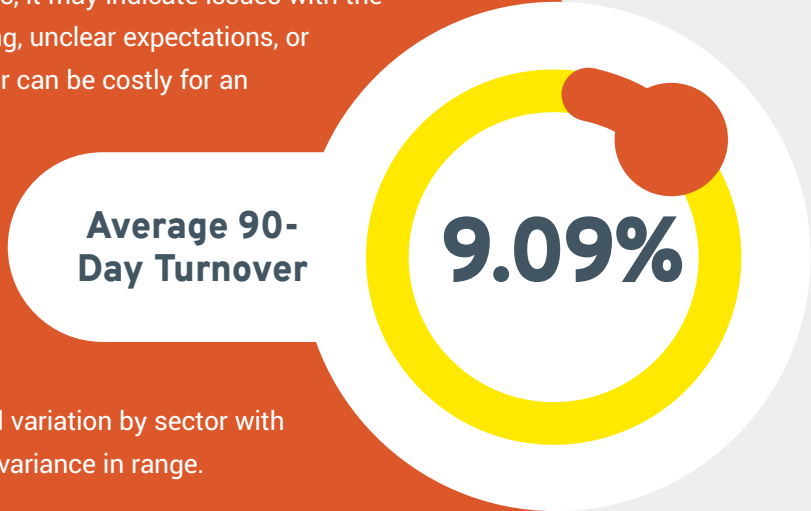
Industry Spotlight

Lowest	Highest
Construction	Hotels
2.42%	46.50%

The lowest turnover was seen in the Construction industry which was a surprising result. Typical Factors that generally contribute to lower turnover are the ability to provide job security and stability, opportunities for career advancement, investment in training and development, and the sense of accomplishment at work. Possibly the longer term nature of construction projects has driven this surprisingly low 90-day turnover benchmark.

Whereas, the Hotel sector has different challenges to overcome which could contribute to the higher turnover including seasonal demand impacting the ability to retain staff, often lower wages for the entry-level positions and long and irregular hours making it more difficult for employees to balance work with their other commitments. Restaurants & Food Services also had a relatively high turnover of 35.63% which follows suit as they face similar challenges to the Hotel industry.

Industry	Turnover
Hotels	46.50%
Restaurants & Food Services	35.63%
Real Estate Activities	28.00%
Retail & Wholesale	18.24%
Health & Social Care	14.15%
Arts, Entertainment & Recreation	12.11%
Agriculture	10.00%
Transport	8.67%
Manufacturing	8.35%
Education	7.64%
IT & Communications	7.03%
Utilities	7.00%
Professional Services	6.97%
Not for Profit	3.90%
Financial Services	3.02%
Public Sector & Defence	2.44%
Construction	2.42%

Highest

Lowest

Gender Pay Gap

Defining a binary gender at birth is a HMRC payroll requirement. Collecting gender pay gap statistics from the HR Ninjas was perhaps the most surprising result of the survey and demonstrates the importance of government initiatives for companies to responsibly report their gender pay gap biases.

Despite the focus on closing the gap, the results from the Ninjas survey show that the gender pay gap is still highly significant and endemic in companies of all sizes.

Average Wage by Gender

£18.06 /hour

£21.10 /hour

Gender Pay Gap by Company Size

0 - 500 employees	£3.13
500 - 1000 employees	£5.01
1001 - 3000 employees	£1.43
3000 + employees	£2.49

The results show that males are paid on average **16.83%** more per hour than females when we look at the data industry holistically.

Interestingly, the gender pay gap differs depending on the size of the company, with the largest discrepancy seen in SMEs.

The smallest gaps are to be found in the medium and large size companies, perhaps indicating that formal and legislative reporting of these statistics for more mature companies is making a difference.

We can also gather from the data that the **highest average salaries for both female and male employees are in small companies (1-500 employees)**.

It would be interesting to investigate this metric further with a breakdown by job role/grade – which would likely reveal further structural bias in company pay policies.

Annual Turnover

Monitoring both annual staff turnover and 90-day turnover can provide HR professionals with valuable insights into the overall health of their company's employee retention and talent management strategies.

The results for average annual turnover of **21.26%** match the trend for 90-day turnover with the highest turnover predictably found in the **Hotels (105%) and Restaurants & Food Services (92.98%) sectors**.

Similar to the 90-day turnover statistics, low turnover was also to be found in the **Public Sector & Defence (16.17%), Not for Profit (16.79%), and Financial Services (18.41%)** sectors.

Compared to 90-day turnover, it was interesting to see that annual turnover for the **Arts, Entertainment & Recreation (15.20%) and Education sectors (15.90%)** are relatively low compared to their 90-day counterparts, leading to various interpretations regarding the long term rewards of teaching and the arts *(but also the mildly amusing interpretation that if teachers and artists can get over their 90-day initial shock and find they are suited, perhaps school days really are the best days of their life!).*

Average Annual Turnover

21.26%
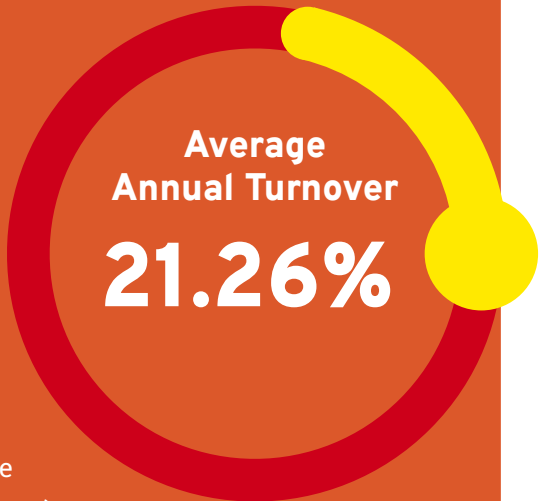
Hotels	105.00%	
Restaurants & Food Services	92.98%	
Real Estate Activities	29.75%	
Retail & Wholesale	27.30%	
Transport	21.80%	
IT & Communications	21.60%	Highest
Professional Services	19.77%	
Health & Social Care	19.22%	
Manufacturing	18.63%	
Financial Services	18.41%	
Not for Profit	16.79%	
Construction	16.66%	
Public Sector & Defence	16.17%	
Education	15.90%	Lowest
Arts, Entertainment & Recreation	15.20%	
Utilities	7.33%	
Agriculture	1.00%	

Cost of Hire

Understanding the average cost of hire can provide useful insights into the efficiency and effectiveness of your recruitment process. It allows businesses to determine whether their recruitment efforts are yielding a positive ROI or whether there needs to be some adjustments made to the recruitment strategy.

Could you be spending too much on job postings, advertising or recruitment agencies? Or perhaps you need understand these costs to accurately allocate budget for resourcing new candidates? This HR Metric is certainly key for HR professionals to monitor and improve.

To some industries £3,798.84 may seem high, but predictably the average cost per hire differs significantly per sector.

The **cost of hire in the Financial Services is 88%** higher than the average cost in this survey sample. This higher cost is likely because candidates tend to require specialised skills and qualifications. Due to this, the talent pool is highly competitive with many companies targeting the same candidates. Furthermore, the hiring process is likely to be more complex than other industries with multiple interview rounds, skills assessments and financial modelling exercises required for certain positions.

Contrast this to **Not for Profit organisations and their cost of hire is 55% lower** than our sample average. This sector has access to a larger pool of applicants and has lower starting salaries compared to private sector jobs which drives down recruitment costs.

While the cost per hire may be lower in the public sector, it's important to note that other factors such as the quality of candidates, retention rates, and overall organisational performance should also be taken into consideration when evaluating the effectiveness of recruitment efforts.

Average Cost of Hire

£3,798.84

Industry Spotlight

Lowest	Highest
Not for Profit	Financial Services
£1,673.53	£7,174.89

Financial Services	£7,174.89	
Professional Services	£5,480.17	
Manufacturing	£4,614.51	
IT & Communications	£3,922.33	
Retail & Wholesale	£3,919.80	Highest
Transport	£3,250.00	
Construction	£2,911.00	
Education	£2,850.00	
Restaurants & Food Services	£2,500.00	
Health & Social Care	£2,083.33	
Arts, Entertainment & Recreation	£2,000.00	
Utilities	£2,000.00	
Public Sector & Defence	£1,983.50	
Not for Profit	£1,671.53	
Hotels	- *	
Real Estate Activities	- *	
Agriculture	- *	Lowest

insufficient data was collected

Absenteeism

Absenteeism is an important HR metric for several reasons. For instance, it can have a significant impact on a company's bottom line and cause a negative impact on employee morale as staff become frustrated with having to take on extra work.

Employee absenteeism may also indicate that there are underlying health and safety issues in the workplace, or significant challenges in an employee's personal life, that HR need to address to prevent future absences.

Overall, a 5.40% absenteeism rate is a relatively high number reported by the HR Ninjas compared with the ONS latest published 2021 statistics of 3-3.50%.

The highest numbers reported were in the **IT & Communications sector (10.67%)** and the **lowest in the Agriculture (3.00%), Not for Profit (3.25%), and Construction (3.25%) sectors.**

In interpreting these results, we consider that this statistic may be skewed by recent transient effects of strike actions, the seasonal timing of the survey, and the interpretation of the questions with some respondents perhaps reporting absence days per year rather than an annualised percentage which could explain the high number.

Average Rate of Absenteeism

5.40%

|	
IT & Communications	10.67%
Hotels	8.00%
Health & Social Care	7.97%
Restaurants & Food Services	6.63%
Professional Services	6.30%
Education	5.75%
Transport	5.48%
Arts, Entertainment & Recreation	5.14%
Manufacturing	5.11%
Public Sector & Defence	4.78%
Financial Services	4.45%
Utilities	4.10%
Retail & Wholesale	3.61%
Real Estate Activities	3.55%
Construction	3.25%
Not for Profit	3.25%
Agriculture	3.00%

Highest ↑

Lowest ↓

HR FTE Ratio

(HR Professionals per 100 Employees)

The HR FTE ratio helps to determine the efficiency and effectiveness of the HR department. A high HR FTE ratio may suggest that HR is understaffed, which could lead to poor employee engagement, low retention rates, and a lack of compliance with employment laws and regulations.

By contrast, a low HR FTE ratio may suggest that HR is overstaffed, which could result in higher costs and lower productivity. Therefore, monitoring the HR FTE ratio can help companies ensure that they have the appropriate level of staffing to effectively manage the workforce and support their business goals.

The overall average HR FTE ratio of **1.54** is relatively consistent with conventional wisdom of 1 HR professional for every 75 employees and the large number of respondents in smaller companies (1-500 employees).

Average HR FTE Ratio

1.54
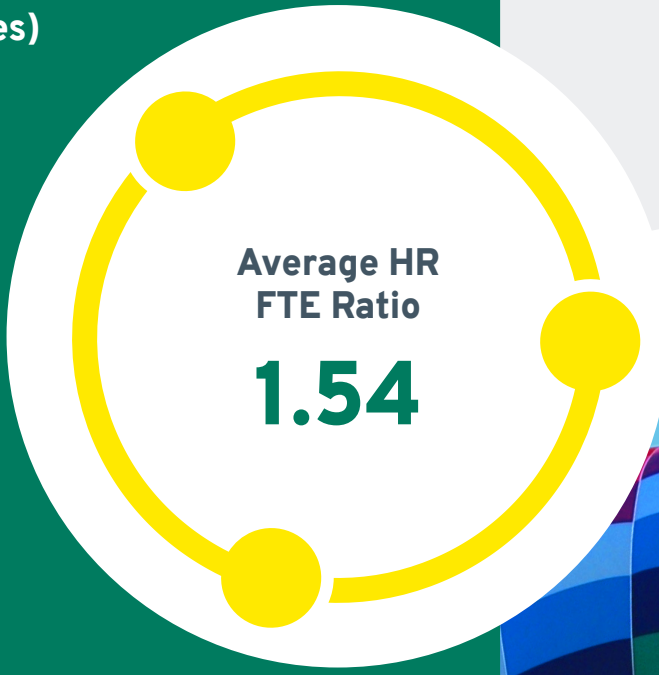
Highest ratios were reported in the **Public Sector & Defence (2.32)** sector and **lowest in the Hotels (0.50) and Restaurants & Food Service (0.71)** sectors.

Public Sector & Defence	2.32	↑
Not for Profit	2.22	
Utilities	2.00	
Agriculture	2.00	
Real Estate Activities	1.75	Highest
Transport	1.73	
IT & Communications	1.64	
Financial Services	1.59	
Professional Services	1.58	
Education	1.45	
Arts, Entertainment & Recreation	1.43	
Construction	1.41	
Health & Social Care	1.38	Lowest
Manufacturing	1.16	
Retail & Wholesale	1.05	
Restaurants & Food Services	0.71	
Hotels	0.50	↓

Overall Conclusions

The HR Ninjas survey provides valuable insights into some of the key HR metrics across various industries.

Average weekly working hours were found to be higher than the national average of 36.2 hours/week, with the Restaurants & Food Services sector having the highest weekly hours and the Not for Profit sector having the lowest.

The average time to fill was found to be 38.4 days, with the Utilities sector having the shortest time to fill and the Public Sector & Defence sector having the longest.

The 90-day turnover rate was found to be 9.09%, with the Construction industry having the lowest and the Hotels industry having the highest.

The gender pay gap data has shown that there is still a significant discrepancy between male and female employees' average pay, across all companies. These findings highlight the importance of data-driven decision making and the need for continued efforts to address issues related to employee experience and gender pay gap.

Various forms of bias may have influenced the survey's outcome, and we do not take responsibility for the data submitted anonymously and any interpretations made in this report. Therefore, we want to inform readers that they should not rely solely on the results of this survey due to the aforementioned limitations.

Although the summary results presented may contain different types of bias, it is worth noting that the results from the community are interesting and can serve as a useful benchmark asset for HR Ninjas. However, it is important to consider the adage of "lies, damned lies and statistics" when reviewing the results. We acknowledge the limitations of this survey and the challenges involved in collecting unbiased data and applying correct statistical treatment.

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Employee Turnover
Reasons for Leaving
- AWOL
- Dismissal
- Non-Starter
- Relocation
- Resignation

Current Year — Previous Year

Absence Types
- Sickness
- Family
- Unauthorised
- Study Leave

Absence Rate

My HR | My Rota
Comms | My Contract
My Training | Documents
My Performance | People

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- ERIC WRIGHT GROUP
- Krispy Kreme DOUGHNUTS
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