

The Important Metrics of Human Resources that all companies should be monitoring

Ask yourself this: With significant labour shortfalls almost inevitable in WA over the coming few years, how is your business keeping track of your success (or failure) in both recruiting successfully, and just as importantly retaining its most valuable assets – its human resources?

Just as all companies measure the success of their cash management through the use of debtor day metrics, if they aren't already doing so **we would strongly recommend that all firms start measuring - and reporting at board level - the following two metrics:**

- **Average staff tenure** – Obviously the longer this is, the more productive your business will be. If it is falling however, alarm bells should be ringing at all corporate levels.
- **Average success rate of new hires** – In other words what proportion of new hires into your business who are still with the business two years later. The WA average rate is currently only approximately 65%, and yet some businesses which use risk minimisation approaches to their recruitment strategy have this higher than 95%. Where is your company currently, and what can be done to improve it?

Average Staff Tenure

Further to last month's market update we have conducted research which has shown us that, for white collar professional staff, the Western Australian average staff tenure is 30 months. How does your business compare?

To find out more please contact James Fairbairn on 08 9323 8888 or e-mail james.fairbairn@beilby.com.au