

# SHRM Survey: Average cost per hire is \$4,129

For competitive reasons, it's wise for employers to compare their HR metrics with the "average" employer. To do so, use these stats from the new *Human Capital Benchmarking Report* of more than 2,000 employers by the Society for Human Resource Management (SHRM):

**HR-to-employee ratio.** This ratio, a good way to compare HR staffing levels between organizations, is calculated by dividing the number of HR full-time equivalents (FTEs) by the total number of FTEs in an organization, and then multiplying the outcome by 100. The survey says the median HR-to-employee ratio is 1.33.

**Cost per hire/time to fill.** It costs the average employer \$4,129 to hire a new employee, while the average time it takes to fill a new position is 42 days, the survey says.

**Turnover rate.** In terms of employee retention, the average amount of time employees stick with a job is eight years. The annual turnover rate for responding employers is 19% and the average involuntary turnover rate is 8%.

**Management responsibility.** Employees in middle management positions have the most direct reports (a median of eight direct reports) compared to those at the executive level (a median of five direct reports).

**Compensation.** The average annual salary increase was 2.7% each year. The average target bonus percentage for nonexecutives was 4.7% compared to 10.2% for executives. Salaries as a percentage of operating budget averaged 43.5%.

**Retirement.** Among those employers offering a 401(k) or similar plan (92% of respondents), an average of 66% of employees participated at those organizations. A full 84% of organizations provide employer contributions. And almost a third of employers (62%) have an automatic enrollment feature to their plans.

**Succession planning.** One-third of companies (34%) had a succession plan. Positions most commonly included: executive team (76%), senior management (71%) and middle management (46%).

**Tuition.** About six in 10 (61%) employers offered tuition reimbursement. The average maximum reimbursement allowed for tuition/education expenses per year was approximately \$4,000.

Access the full HR benchmarking report at [www.tinyurl.com/HRbench](http://www.tinyurl.com/HRbench).

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