



# 2016 Human Capital Benchmarking Report

November 2016

# SHRM Benchmarking Service

**Are you looking for data that is customizable by industry, region, organization staff size, and more? SHRM's Benchmarking Service provides just that.**

- The data in this report can be customized for your organization by industry, staff size, geographic or metropolitan region, profit status (for profit/nonprofit), sector (public/private), unionized environments, and more.
- The data in this report were collected from the 2016 SHRM Human Capital Benchmarking Survey. Additional reports available in Health Care, Paid Leave, Employee Benefits Prevalence, and Talent Acquisition.

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## About SHRM

Founded in 1948, the Society for Human Resource Management (SHRM) is the world's largest HR membership organization devoted to human resource management. Representing more than 275,000 members in over 160 countries, the Society is the leading provider of resources to serve the needs of HR professionals and advance the professional practice of human resource management. SHRM has more than 575 affiliated chapters within the United States and subsidiary offices in China, India and United Arab Emirates. Visit us at [shrm.org](http://shrm.org).

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The average maximum employer match for a 401(k) or similar plan was **6%**.

## Key Findings

- **Tuition:** 61 percent of employers offered tuition reimbursement. The average maximum reimbursement allowed for tuition/education expenses per year was approximately \$4,000.
- **Compensation:** The average annual salary increase was 2.7 percent each year. The average target bonus percentage for nonexecutives was 4.7 percent compared to 10.2 percent for executives.
- **Retirement:** Among those companies that offered a 401(k), 402(b) or similar plan (92 percent), an average of 66 percent of employees participated. The average maximum employer match was 6 percent.
- **Succession Planning:** One-third of companies (34 percent) had a succession plan. The positions most commonly included in an organization's succession plan included the executive team (76 percent), senior management (71 percent) and middle management (46 percent).
- **Management Responsibility:** Those employees in middle management positions had the most direct reports (a median of 8 direct reports) compared to those at the executive level (a median of 5 direct reports).

# Statistical Definitions

## “n”

The letter “n” in tables and figures indicates the number of respondents to each question. In other words, when it is noted that n = 25, it indicates that the number of respondents was 25.

## Percentile

The percentile is the percentage of responses in a group that have values less than or equal to that particular value. For example, when data are arranged from lowest to highest, the 25th percentile is the point at which 75% of the data are above it and 25% are below it. Conversely, the 75th percentile is the point at which 25% of the data are above it and 75% are below it.

## Median (50th percentile)

The median is the midpoint of the set of numbers or values arranged in ascending order. It is recommended that the median is used as a basis for all interpretations of the data when the average and median are discrepant.

## Average

The average is the sum of the responses divided by the total number of responses. It is also known as the mean. This measure is affected more than the median by the occurrence of outliers (extreme values). For this reason, the average reported may be greater than the 75th percentile or less than the 25th percentile.

# Organizational Data

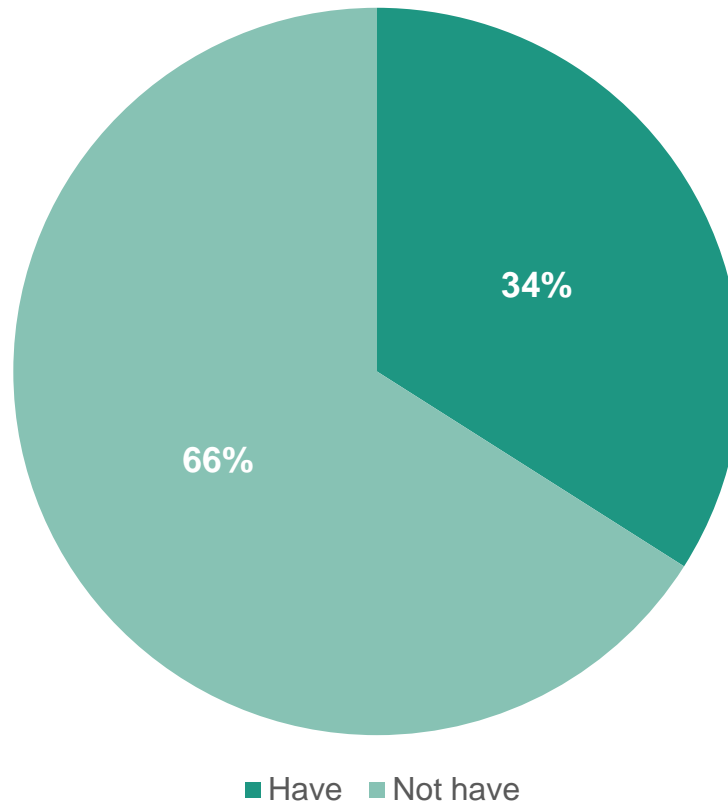
|                                 | n   | 25th Percentile | Median    | 75th Percentile | Average   |
|---------------------------------|-----|-----------------|-----------|-----------------|-----------|
| Revenue per FTE                 | 739 | \$65,502        | \$143,396 | \$271,450       | \$335,594 |
| Net income before taxes per FTE | 579 | \$0             | \$9,980   | \$61,882        | \$57,815  |

Revenue per FTE is the total amount of revenue received during an organization's fiscal year divided by the number of FTEs.

Net income before taxes per FTE is the net income before taxes divided by the number of FTEs

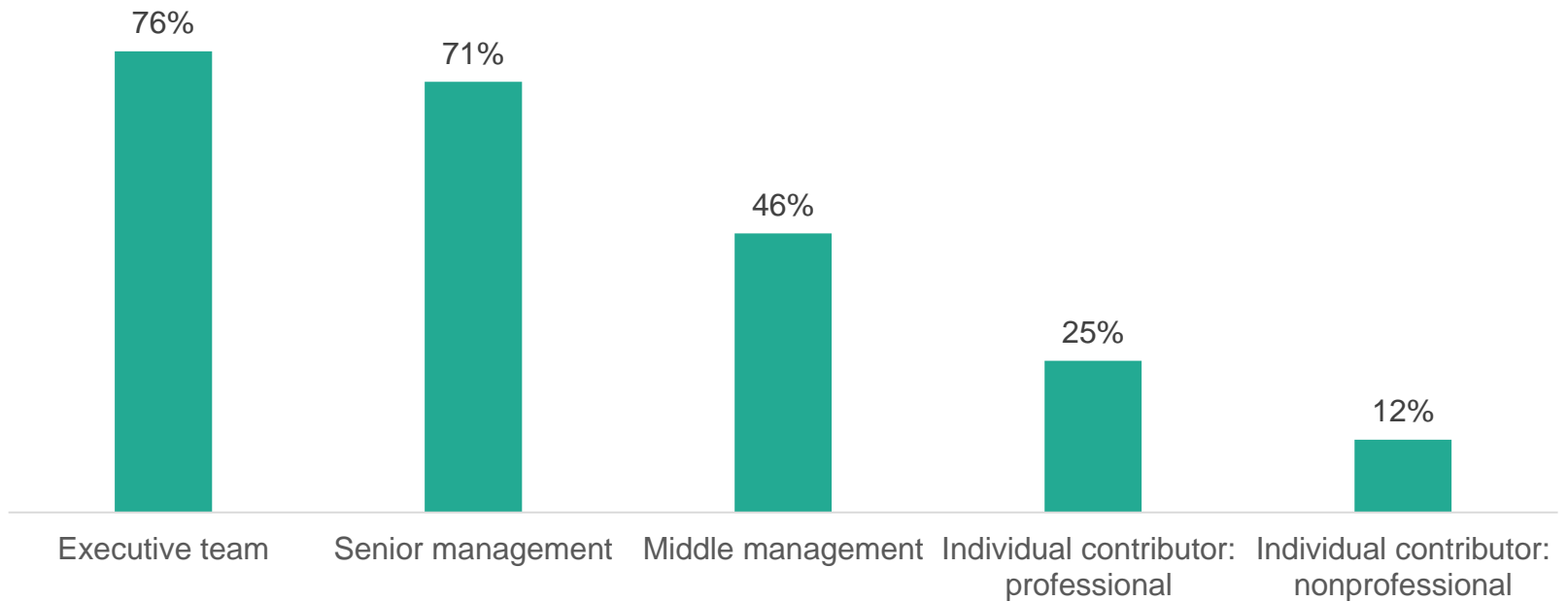
*n* = 2,048.

# Use of Succession Plans by Organizations



*n* = 1,503. Respondents who answered "Not sure" were excluded from this analysis.

# Positions Included Within the Organization's Succession Plan



*n* = 493.



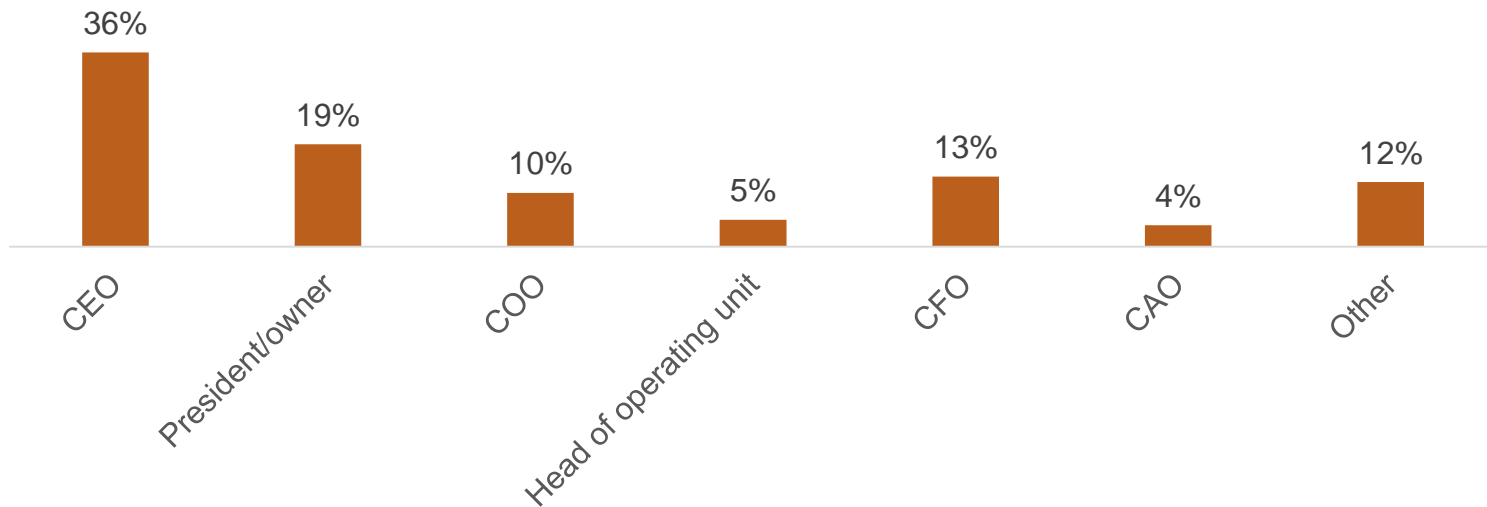
# Span of Control Data

|   | n     | 25th Percentile  | Median           | 75th Percentile   | Average           |
|---|-------|------------------|------------------|-------------------|-------------------|
| Executive level                           | 1,004 | 4 direct reports | 5 direct reports | 8 direct reports  | 7 direct reports  |
| Middle management                         | 1,014 | 4 direct reports | 8 direct reports | 14 direct reports | 11 direct reports |
| Nonmanagement/<br>individual contributors | 929   | 0 direct reports | 0 direct reports | 2 direct reports  | 3 direct reports  |
| Nonexempt (hourly) nonmanagement          | 914   | 0 direct reports | 0 direct reports | 0 direct reports  | 2 direct reports  |

# HR Department Data

|  | n     | 25th Percentile | Median | 75th Percentile | Average |
|--|-------|-----------------|--------|-----------------|---------|
| HR-to-employee ratio                                   | 1,803 | 0.84            | 1.33   | 2.29            | 2.32    |
| Percentage of HR staff in supervisory roles            | 1,756 | 33%             | 50%    | 100%            | 56%     |
| Percentage of HR staff in professional/technical roles | 1,390 | 0%              | 36%    | 57%             | 38%     |
| Percentage of HR staff in administrative support roles | 1,469 | 0%              | 25%    | 50%             | 28%     |

# Reporting Structure for the Head of HR



*n* = 1,993. CEO = Chief executive officer. COO = Chief operation officer. CFO = Chief financial officer.  
CAO = Head of administration/chief administration officer.

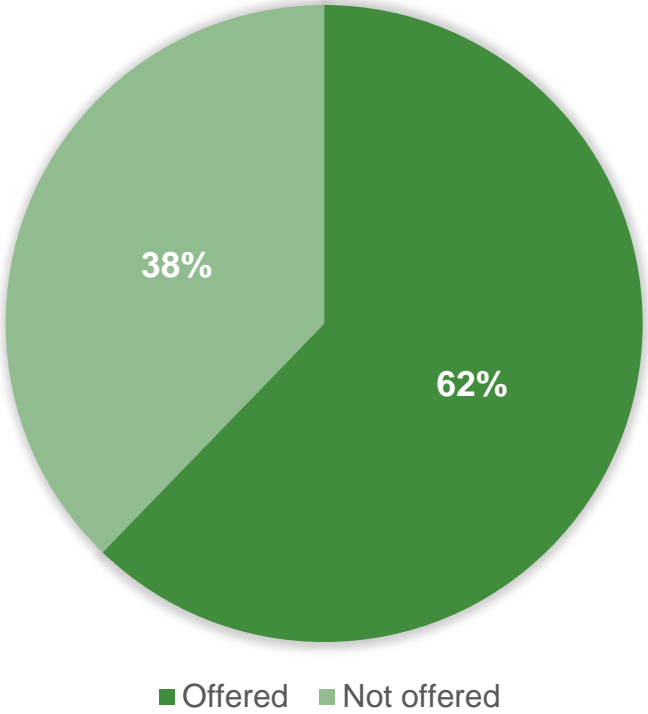
# HR Expense Data

|   | n   | 25th Percentile | Median  | 75th Percentile | Average  |
|---|-----|-----------------|---------|-----------------|----------|
| HR-expense-to-operating – expense ratio | 548 | 0.6%            | 2.0%    | 17.8%           | 15.0%    |
| HR-expense-to-FTE-ratio                 | 695 | \$659           | \$1,667 | \$6,000         | \$10,211 |

# Compensation Data

|   | n     | 25th Percentile | Median | 75th Percentile | Average |
|---|-------|-----------------|--------|-----------------|---------|
| Annual salary increase                        | 1,143 | 2.0%            | 3.0%   | 3.0%            | 2.7%    |
| Salaries as a percentage of operating expense | 580   | 25.0%           | 43.0%  | 60.0%           | 43.5%   |
| Target bonus percentage for nonexecutives     | 842   | 0.0%            | 0.0%   | 5.0%            | 4.7%    |
| Target bonus percentage for executives        | 809   | 0.0%            | 0.0%   | 15.0%           | 10.2%   |

# Organizations that Offer Tuition Reimbursement for Employees



*n* = 1,587. Respondents who answered “Not sure” were excluded from this analysis.

# Tuition/Education Data

|   | n   | 25th Percentile | Median  | 75th Percentile | Average |
|---|-----|-----------------|---------|-----------------|---------|
| Maximum reimbursement allowed for tuition/ education expenses per year            | 763 | \$1,500         | \$3,000 | \$5,250         | \$3,998 |
| Percentage of employees participating in tuition/education reimbursement programs | 729 | 1%              | 2%      | 6%              | 7%      |

# Employment Data

|                                  | n     | 25th Percentile | Median  | 75th Percentile | Average |
|----------------------------------|-------|-----------------|---------|-----------------|---------|
| Time-to-fill                     | 1,192 | 20 days         | 30 days | 47 days         | 42 days |
| Cost-per-hire                    | 864   | \$500           | \$2,000 | \$4,500         | \$4,129 |
| Average employee tenure          | 1,407 | 4 years         | 7 years | 11 years        | 8 years |
| Annual overall turnover rate     | 1,159 | 6%              | 15%     | 25%             | 19%     |
| Annual voluntary turnover rate   | 934   | 3%              | 9%      | 16%             | 12%     |
| Annual involuntary turnover rate | 912   | 1%              | 3%      | 8%              | 6%      |



# Retirement Data

|  | n     | Offered | Not Offered |
|--|-------|---------|-------------|
| 401(k), 403(b) or similar plan                                 | 1,586 | 92%     | 7%          |
| Percentage of organizations providing employer contribution    | 1,348 | 84%     | 14%         |
| Percentage of organizations with automatic employee enrollment | 1,018 | 62%     | 38%         |

# Retirement Data

|  | n     | 25th Percentile | Median | 75th Percentile | Average |
|--|-------|-----------------|--------|-----------------|---------|
| Employee participation rate                                      | 1,054 | 45%             | 75%    | 90%             | 66%     |
| Percentage of an employee's contribution matched by the employer | 666   | 50%             | 50%    | 100%            | 66%     |
| Maximum percentage of salary matched by the employer             | 972   | 3%              | 5%     | 6%              | 6%      |

# Demographics: Organization Industry

|  | Percentage |
|--|------------|
| Services — Professional, Scientific, Technical | 27%        |
| High-Tech                                      | 23%        |
| Retail/Wholesale Trade                         | 22%        |
| Consulting                                     | 21%        |
| Health Care, Social Assistance                 | 20%        |
| Manufacturing (durable goods)                  | 17%        |
| Manufacturing (non-durable goods)              | 15%        |
| Business Support Services                      | 12%        |

*Note: n = 2,044. Percentages do not total 100% due to multiple response options.*

# Demographics: Organization Industry

|   | Percentage |
|---|------------|
| Finance   | 12%        |
| Educational Services  | 11%        |
| Government/Public Administration — State/Local                          | 11%        |
| Construction, Mining, Oil & Gas   | 10%        |
| Publishing, Broadcasting, Other Media                                   | 10%        |
| Transportation, Warehousing   | 7%         |
| Religious, Grant-Making, Civic, Professional, and Similar Organizations | 7%         |

*Note: n = 2,044. Percentages do not total 100% due to multiple response options.*

## Demographics: Organization Industry

|  | Percentage |
|--|------------|
| Telecommunications                               | 5%         |
| Insurance  | 5%         |
| Repair and Maintenance                           | 5%         |
| Services — Accommodation, Food & Drinking Places | 5%         |
| Utilities  | 4%         |
| Real Estate, Rental, Leasing                     | 4%         |
| Arts, Entertainment, Recreation                  | 3%         |
| Biotech  | 3%         |

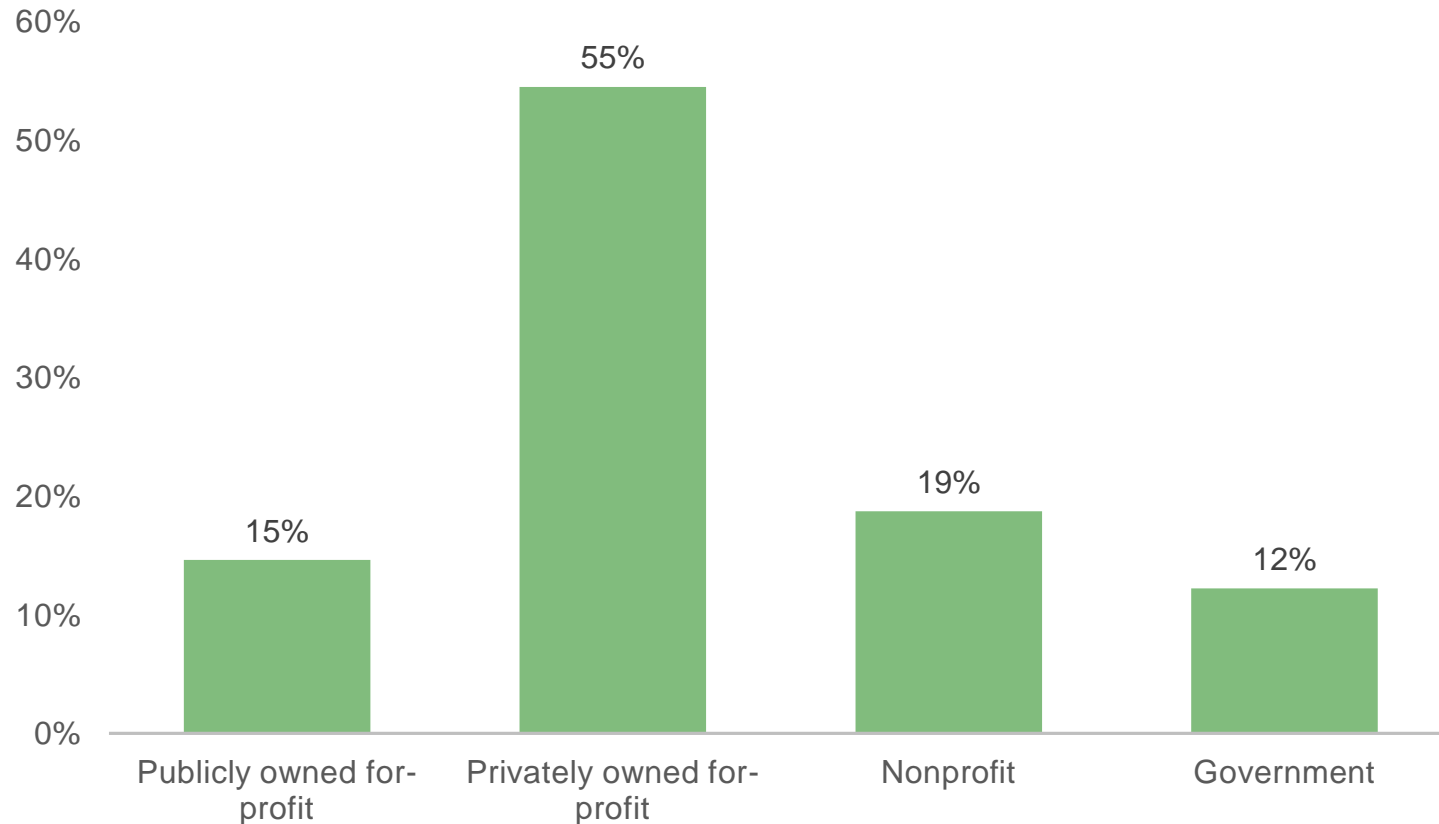
*Note: n = 2,044. Percentages do not total 100% due to multiple response options.*

# Demographics: Organization Industry

|  | Percentage |
|--|------------|
| Pharmaceutical                             | 2%         |
| Association — Professional/Trade           | 2%         |
| Waste Management & Remediation Services    | 2%         |
| Government/Public Administration — Federal | 1%         |

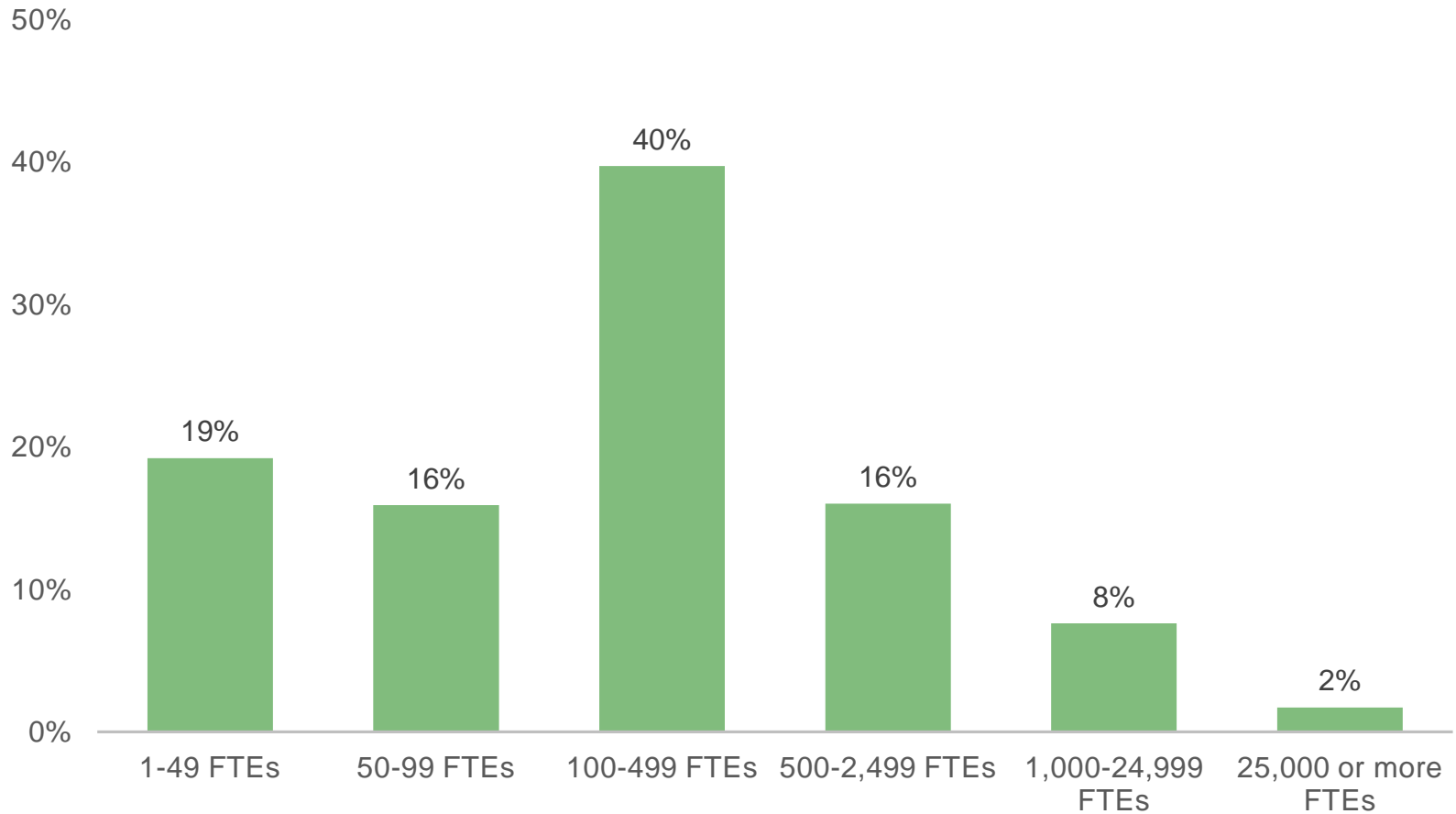
*Note: n = 2,044. Percentages do not total 100% due to multiple response options.*

# Demographics: Sectors



n = 2,042

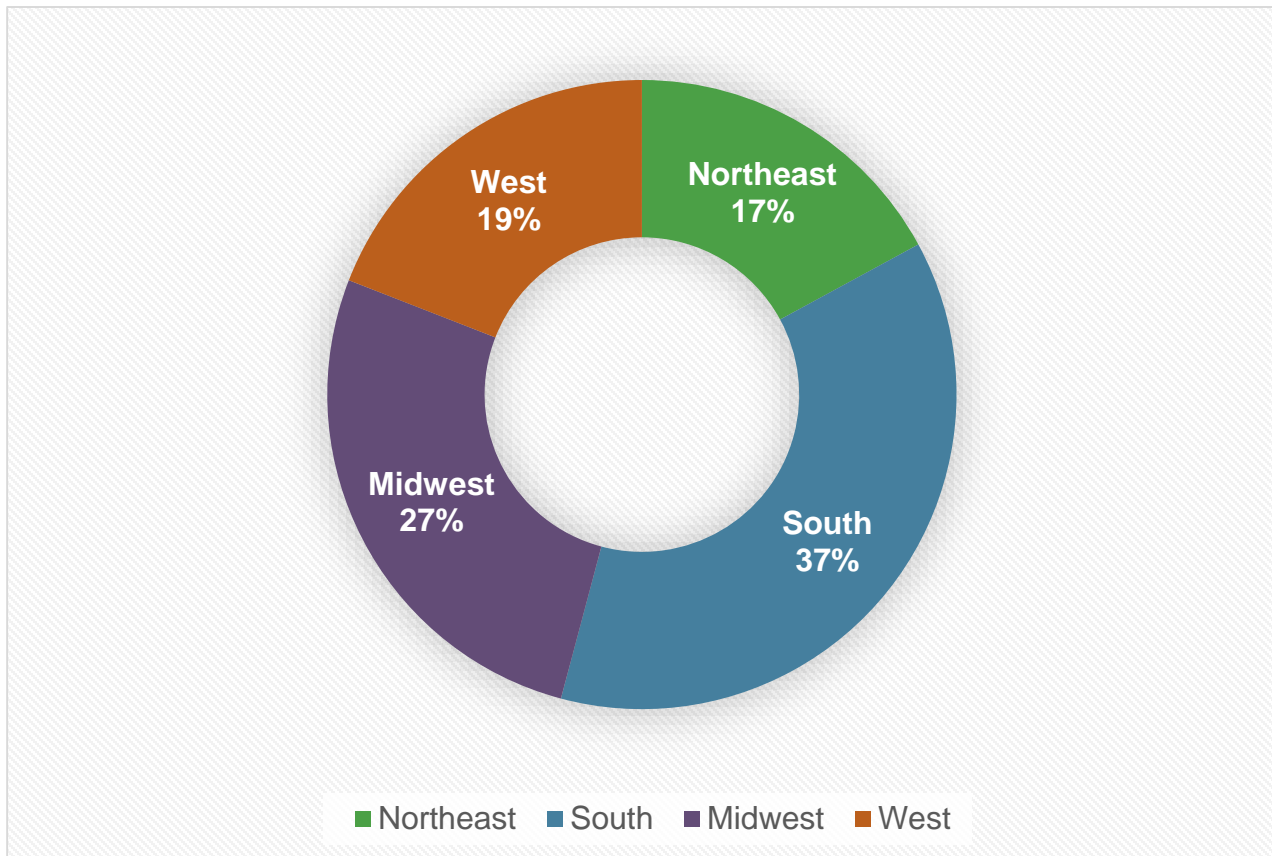
# Demographics: Staff Size by FTE



n = 1,878



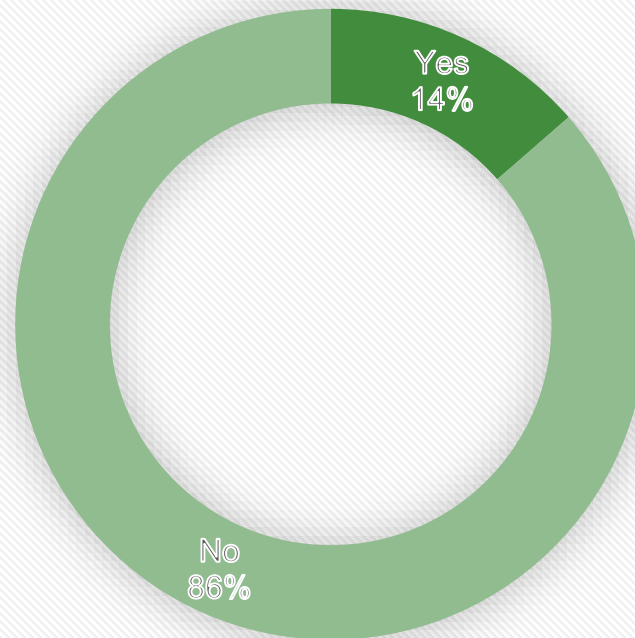
# Demographics: Census Region



*n* = 2,032

# Demographics: International Workforce

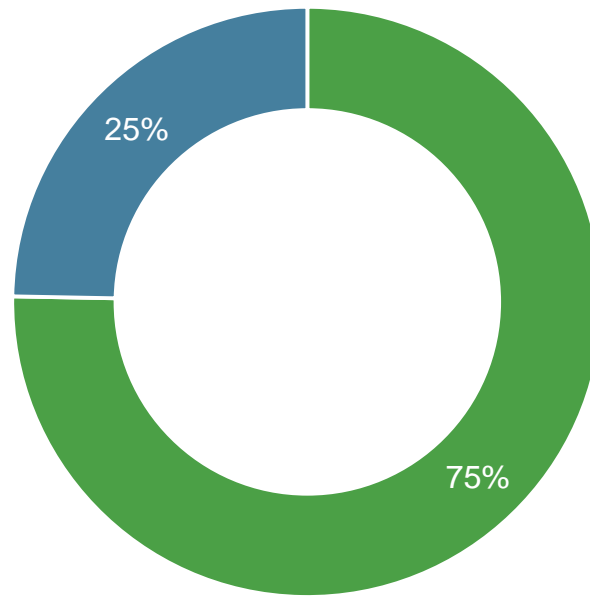
Was any of the organization's workforce based outside of the U.S.?



*n* = 1,976

# Demographics: HR Department Level

The level of HR department/function for which participants were responding when filling out the survey

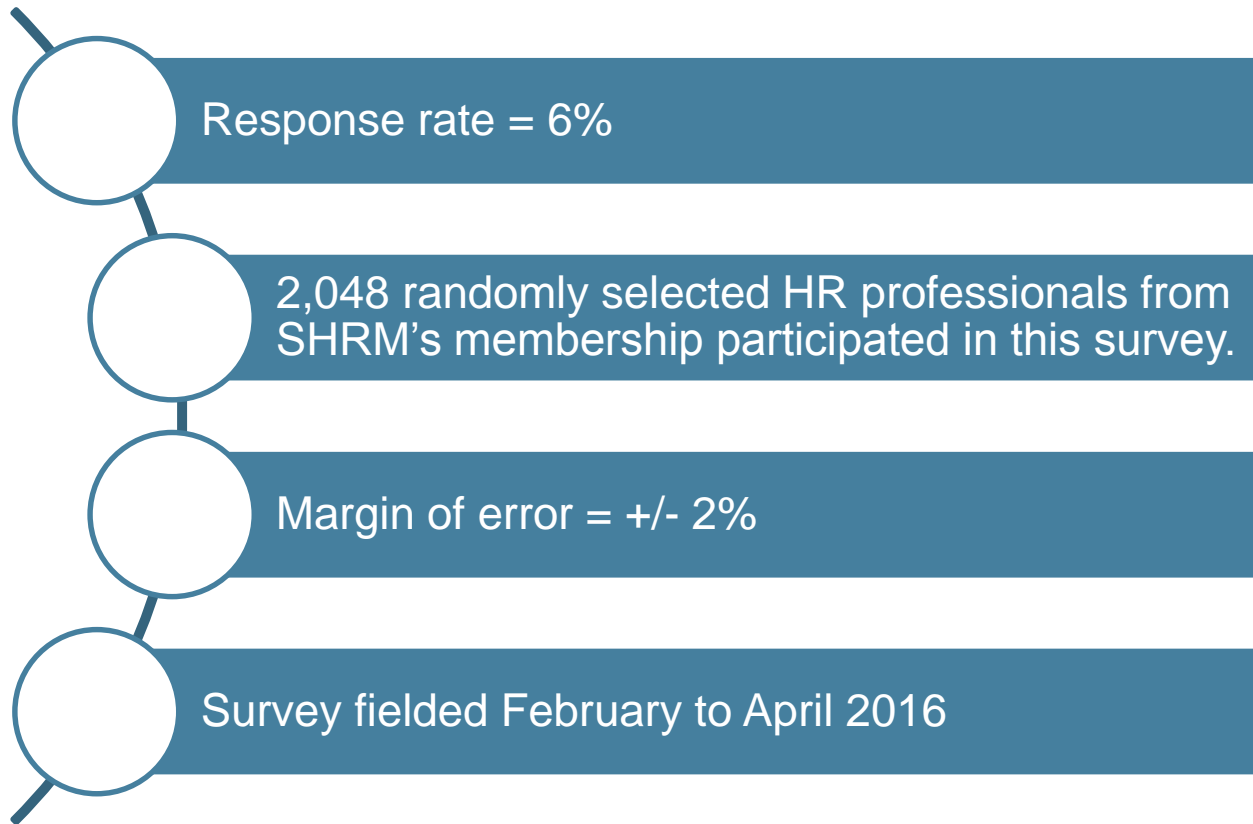


■ Entire organization/corporate level

■ A specific business unit/work location(s)

*n* = 2,027

# Survey Methodology



# Project Contributors

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