



Glossary of CTHRA Metrics (Revised, 2010)

(Listed in order as presented in the survey results of your excel sheet)

| Metric Name | Calculation | Definition |
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| | Organization Data | |
| Revenue per FTE | Revenue/ FTE | Revenue per FTE is the total amount of revenue received during the organization's fiscal year divided by the number of FTEs. This ratio links the time and effort associated with the firm's human capital to its revenue output. If the revenue/FTE ratio increases, it generally indicates that there is greater efficiency and productivity because more output is produced. |
| Operating Expense per FTE | Operating Expense/ FTE | Operating Expense per FTE measures operating costs per full-time equivalent, and indicates how well the firm can contain or control costs. |
| Net Income per FTE | Revenue – Operating Expense/ FTE | Net Income per FTE is the net income or profit per full time equivalent (FTE). It calculates efficiency by taking net income, which is the difference between revenue and expenses, and divides the outcome by the number of FTEs. Unlike revenue per FTE, which has only one factor—revenue, net |



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| | | income per FTE comprises two factors, and it is best evaluated over time. |
| Manager Span of Control Ratio | Number of Regular Employees/ Number of Managers | Manager Span of Control Ratio measures the number of regular employees by the number of managers in an organization. It can help assess an organization's structure and proper levels of management support. |
| Average Employee Tenure | Total Tenure/ Number of Regular Employees | Average Employee Tenure measures the average length of service for current employees. It can represent the success of an organization's retention strategy and employee satisfaction or commitment to the organization. |
| | HR Department Data | |
| HR to Employee Ratio | Number of Regular Employees/ Number of HR Employees | HR to Employee Ratio provides a way to compare HR staffing levels between organizations. It indicates the number of regular employees supported by HR employees. |
| HR Expense per Employee | HR Expenses/ Number of Regular Employees | HR Expense per Employee represents the amount of human resource dollars invested in each employee. |
| (NEW) HR Hiring Activity | Areas in HR in which organizations expect to hire in 2010 | HR Hiring Activity indicates in which functional areas in HR expect to hire in 2010. These functional areas maybe administrative support, benefits, compensation, diversity, generalist, HRIS, and recruiting, and Director or above. |
| | Rewards Data | |
| Salaries/Bonuses and Time-off as a Percentage of Revenue | Total Salaries + Cash Bonuses + Time Off/ Revenue | Salaries/ Bonuses and Time-off as a Percentage of Revenue indicates the strength of the organization's compensation program relative to revenue created. Time-off includes, sick days, |



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| | | vacation, holidays, and other related costs for leave. |
| Salaries/Bonuses and Time-off as a Percentage of Operating Expense | Total Salaries + Cash Bonuses + Time Off/ Operating Expense | Salaries/ Bonuses and Time-off as a Percentage of Operating Expense indicate the strength of an organization's compensation program relative to its operating costs. Time-off includes, sick days, vacation, holidays, and other related costs for leave. |
| Salaries/Bonuses & Time-off per FTE | Total Salaries + Cash Bonuses + Time Off/ FTE | Salaries/ Bonuses and Time-off per FTE provide insight into the relative strength of a firm's compensation levels in the market. Time-off includes, sick days, vacation, holidays, and other related costs for leave. |
| Salaries /Bonuses/ Time-off & Benefit Costs per FTE | Total Salaries + Cash Bonuses + Time Off + Benefit Costs/FTE | Salaries/ Bonuses/Time-off/ & Benefits Costs per FTE indicates the strength of an organization's compensation and benefit costs relative to market. Time-off includes, sick days, vacation, holidays, and other related costs for leave. |
| Salaries /Bonuses/ Time-off & Benefit Costs as a Percentage of Revenue | Total Salaries + Cash Bonuses + Time Off + Benefit Costs/ Revenue | Salaries/ Bonuses/Time-off & Benefits Costs as a Percentage of Revenue indicates the strength of an organization's compensation and benefit costs relative to the revenue created. Time-off includes, sick days, vacation, holidays, and other related costs for leave. |
| Salaries/Bonuses/Time-off & Benefit Costs as a Percentage of Operating Expenses | Total Salaries + Cash Bonuses + Time Off + Benefit Costs/ Operating Expense | Salaries/ Bonuses/Time-off & Benefits Costs as a Percentage of Operating Expenses indicates the strength of an organization's compensation and benefit costs relative to its operating costs. Time-off includes, sick days, vacation, holidays, and other related costs for leave. |
| 2009 Annual Budgeted Salary Increase | Percentage of Budgeted Salary Increase in 2009 | Average Budgeted Salary Increase is the percentage of increase in salaries that an |



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| | | organization expects to provide to its employee for a given fiscal year. |
| Benefit Costs as a Percentage of Salaries/Bonuses & Time-off | Benefit Costs/ Total Salaries + Cash Bonuses + Time Off | Benefit Costs as a Percentage of Salaries/Bonuses & Time-off indicates the proportion of costs associated with benefits and salaries/ bonuses and time-off. Time-off includes, sick days, vacation, holidays, and other related costs for leave. |
| Benefit Costs and Time-off by Employee | Benefit Costs + Time Off/ Number of Regular Employees | Benefit Costs and Time-off by Employee measures the amount of benefits the organization spends per employee. Time-off includes, sick days, vacation, holidays, and other related costs for leave. |
| Employment Data | | |
| Filled Positions | Number of Positions Filled | Number of Filled Positions represents the number of open positions for which individuals were hired in the organization. Open positions may be filled by internal or external candidates. This metric represents the amount of hiring activity during the year. |
| (NEW) Percentage of Attrition Hires | Number of Hires Due To Replacement and/or Turnover/Total Number of Hires | Percentage of Attrition Hires reflects those new employees that were hired against replacement requisitions (usually resulting from turnover) compared to overall new hires in 2009. |
| (NEW) Percentage of Business Growth Hires | Number of Hires Due to Business Growth/Total Number of Hires | Percentage of Business Growth Hires reflects those new employees that were hired against new requisitions compared to overall new hires in 2009. New requisitions are usually the result of increased business and not due to the replacement of staff that left the organization. |
| Internal Hires Rate | Number of Internal Hires/ Total Hires | Internal Hires Rate is a percentage that measures the number of hires which came from within the organization. It often indicates the degree of job |



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| | | opportunities available to existing employees. |
| Time-to-Fill | Number of Days Position Opened/ Total Hires | Time-to-Fill is calculated as the number of calendar days from when the time the position opened until the candidate accepts the position. It is often a measure of recruiting efficiency. |
| Cost-Per-Hire | Total Recruiting Costs/ Number of Positions Filled | Cost-per-Hire represents the recruiting costs involved with a new hire. These costs include the sum of advertising, agency fees, employee referrals, travel costs of applicants and staff, relocation costs, and recruiter and other staff pay and benefits associated with employment function divided by the number of hires. |
| (NEW) Recruiter Assignment of Requisitions | Identifies how more than 50% of your recruiter's requisitions are assigned. | Recruiter Assignment of Requisitions identifies how organizations assign most of the requisitions in their organization, either by job specialty, function, such as business line, organizational unit, geography, etc. |
| (NEW) Percentage of Retained Executive Search Assignments | Number of executive search assignments outsourced to executive search firms / total number of executive searches (retained search and non-retained search combined) | Percentage of Retained Executive Search Assignments compared to all retained and non-retained executive searches in 2009, provides insights in to overall recruiting strategy, rationale for recruiting costs, and degree of executive sourcing conducted by internal recruiting staff. |
| Overall Annual Turnover Rate | Total Number of Departures/ Number of Regular Employees | Overall Annual Turnover is the rate at which employees both voluntarily and involuntarily leave the organization. To calculate annual turnover, first calculate turnover for each month by dividing the number of separations during the month by the average number of employees during the month |



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| | | and multiplying by 100. The turnover rate is then calculated by adding the 12 month's worth of turnover percentages together. |
| Annual Voluntary Turnover Rate | Total Voluntary Departures/ Number of Regular Employees | Annual Voluntary Turnover is the rate at which employees voluntarily leave the organization. To calculate the voluntary turnover, first calculate the voluntary turnover for each month by dividing the number of voluntary separations during the month by the average number of employees during the month and multiplying by 100. The turnover rate is then calculated by adding the 12 month's worth of turnover percentages. |
| Annual Involuntary Turnover Rate | Total Involuntary Departures/ Number of Regular Employees | Annual Involuntary Turnover is the rate at which employees involuntarily leave the organization. To calculate the involuntary turnover, first calculate the involuntary turnover for each month by dividing the number of involuntary separations during the month by the average number of employees during the month and multiplying by 100. The turnover rate is then calculated by adding the 12 month's worth of turnover percentages. |
| Voluntary Exempt Turnover Rate | Total Voluntary Exempt Departures/ Number of Regular Employees | Voluntary Exempt Turnover is the rate at which exempt employees voluntarily leave the organization. To calculate the voluntary exempt turnover, first calculate the voluntary exempt turnover for each month by dividing the number of voluntary exempt separations during the month by the average number of employees during the month and multiplying by 100. The turnover rate is then calculated by adding the 12 month's worth of turnover percentages. |
| Voluntary Nonexempt Turnover Rate | Total Voluntary Nonexempt Departures/ | Voluntary Nonexempt Turnover is the rate at which |



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| | Number of Regular Employees | nonexempt employees voluntarily leave the organization. To calculate voluntary nonexempt turnover, first calculate the voluntary nonexempt turnover for each month by dividing the number of voluntary nonexempt separations during the month by the average number of employees during the month and multiplying by 100. The turnover rate is then calculated by adding the 12 month's worth of turnover percentages. |
| Percentage of Unionized Workforce | Number of Union Employees/ Number of Regular Employees | Percentage of Unionized Workforce measures the number of employees in a Union compared to the overall workforce. |
| | Learning and Development Data | |
| Internal Training Costs by Employee | Cost for Internal Training/ Number of Regular Employees | Internal Training Costs by Employee indicates the training cost per employee that occurs on-site at the organization's facility. |
| External Training Costs by Employee | Cost for External Training/ Number of Regular Employees | External Training Costs by Employee indicates the training cost per employee that occurs off-site away from the organization's facility. |



Definitions for Select Metric Components

| Component | Definition |
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| N | Letter "N" in tables indicate the number of respondents to each question. Therefore, when it is noted that n=25, it indicates that the number of respondents was 25. |
| Percentile | 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 25 th percentile is at the point at which 75% of the data are above and 25% are below it. |
| Median (50% percentile) | The median is the midpoint of 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 for the responses divided by the total number of responses. It is also known as the mean. |
| SHRM 2008 (Average) | The SHRM 2008 Average is based on data from the overall telecommunications industry. |
| Revenue | Revenue includes total sales and earnings and all other income (pre-tax) for calendar year 2008, which are found on your firm's financial statements. Please only include revenue for U.S. operations and its territories. |
| Operating Expense | Operating expense may be found on your firm's income statement and include cost of goods sold, selling, and general and administrative expenses for 2008 calendar year. One time charges, interest, depreciation and other extraordinary expenses are not |

CTHRA Human Capital Benchmarking Survey conducted by SHRM



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| | included. Please only include operating expenses for U.S. operations and its territories. |
| FTE | FTE is an abbreviation for full-time equivalent. Please exclude full-time equivalent employees (FTEs) that are outside the U.S. and its territories. Only include regular or "casual" employees. Use a 40-hour work week or 2080 annually. Overtime hours are included but time for vacation, sick leave, or any time not worked is not included. Temps, contractors or other contingent workers are not included. |
| Regular Employee | Employees in the U.S and its territories, whether they are full-time or part-time, are included. The average number of regular employees is calculated by adding the number of regular employees at month's end for each month during the calendar year. Then divide by 12 for the annual average regular headcount. |
| Benefit Costs | Benefit costs includes the employer paid costs for the following: health care, welfare costs to include short and long-term disability, life insurance, 401k and all retirement costs, and all legally mandated and miscellaneous benefit costs. |
| HR Employee | HR employee is defined as a regular employee whose primary responsibilities are directly HR related. Please exclude staff involved in training, payroll, health & safety, travel services, security, etc. Exclude staff that support employees outside the U.S. and its territories. |
| HR Expense | HR Expense includes all salaries for the HR staff and all others costs/expenses related to outsourcing, overhead allocations, legal fees, etc. Exclude costs related to support offices outside the U.S. and its territories. Also exclude expenses not directly to HR such as expenses related to facilities, health & safety, payroll, receptionist/phone, training, travel services, and benefit and salary costs for all employees |
| Salaries | Salaries are defined as base salaries excluding on-air talent. |



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| Bonus | Bonus includes non-base pay cash payouts such as short-term cash incentives, commissions, etc. |
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