Key Performance Indicators – Manage employee performance

Nos.	Key Performance Indicators	Definition	Formula
1.	Added Value per Labour Cost	Indicates how competitive the enterprise is in terms of cost. A Low ratio indicates high labour cost which does not commensurate with added value creation.	Added Value / labour Cost
2.	Unit Labour Cost	Indicates the proportion of labour cost to total output. A high ratio indicates high labour costs. This could be due to a labour shortage and lack of skilled labour, or indicative a poor labour mix. It could be due to high turnover.	Labour Cost / Total Output
3.	Added Value per Employee	Reflects the amount of wealth created by the company relative to the number of employees it has. It is influenced by: • Management efficiency • Work attitudes • Price effects • Demand for the company's products A high ratio indicates the favourable effects of labour factors in the wealth creation process. A low ratio means unfavourable working procedures such as : • High prices of brought-in materials and services (BIMS) • Time and/or material wastage • Inadequate salary or wage rates	Added Value / Number of Employees
4.	Total Output per Employee	The size of output generated by each employee of the enterprise.	Total Output / Number of Employees

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5.	Fixed Assets per Employee	Indicates whether an enterprise adopts a capital-intensive or labour-intensive policy. A high ratio indicates high capital intensity. A low ratio indicates that the enterprise is dependent on labour-intensive methods or that there is low technological input.	Fixed Assets / Number of Employees
6.	Sales per Employee	This indicates employee productivity. It is calculated as ratio of turnover (sales) divided by the total number of FTE employees.	Total sales / Total number of FTE employees
7.	Labour Cost per Sales	This measure indicates total cost paid to employees as compared to the total sales generated by the workers.	Gross salary / Total Sales
8.	Voluntary Turnover Rate	This indicator captures the percentage of people leaving the company (trends) which in return may reflect the organisational systems, culture and practices.	(Total Voluntary Turnover / Total Number of Headcount) X 100
9.	Sick Leave Factor	Is the time off from work that workers can use during periods of temporary illness to stay home and address their health and safety needs without losing pay.	((Total Sick Leave) / (Total Number of Headcount) / (Total Number working days)) X 100
10.	MC Rate	The number of days of sick leave, SOCSO leave, hospitalisation leave except those greater than 60 days entitlement.	(Total MC days / (Total working days per month X Month-end headcount)) X 100%
11.	Absenteeism Rate	A measure of absenteeism that includes both authorised and unauthorised sickness related absence form work.	(Total absenteeism days / (Total working days per month X Month-end headcount)) X 100%
12.	Employee Turnover Rate	This measure provides an obvious indication of employee satisfaction. A high employee	(Total number of employees resigning or being terminated / Total Number of

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		turnover is often linked to low employee productivity and usually results in high costs due to the requirement for training new employees. A very low turn-over may inhibit innovation and creativity, and also lead to succession issues due to age groups moving up the organisation structure. The measure can be tailored to assess individual departments, functions, or roles.	Employees) X 100%
13.	Labour Cost per Employee	Measures the average remuneration per employee. A high ratio means high returns to individual workers and vice-versa.	Labour Cost / Number of Employees
14.	Medical Cost per Employee	Medical fees (employees, dependents, specialist consultation), Insurance H/S (employees, dependents), In-house clinic expenses (nurses/in-plant consultation). Exclude employment screening & FOMEMA	Total medical costs / month-end headcount
15.	Human Resources – Expense percentage	This measure monitors the cost of the HR departments in comparison to the total expenses of the organisation. This measure can be used to show the HR Department contribution to the effectiveness an organisations and its overall strategies.	Direct HR costs / Operating expenses
16.	Staff Cost Growth	This indicates the increase/decrease in staff costs of the business last year, compared with the previous-to-last year.	((Staff cost last year) – (Staff cost previous-to-last-year) / Staff cost previous-to-last-year)) X 100%
17.	Healthcare Costs	The actual costs of providing services related to the delivery of health care, including the costs of procedures, therapies, and medications. It is differentiated from	Total Healthcare Costs / Total Number Headcount

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		health expenditures, which refers to the amount of money paid for the services, and from fees, which refers to the amount charged, regardless of cost.	