|  |
| --- |
|  |

**How many HR people should we have?**

To answer the question, “How many HR people should we have?” you must understand not only how many employees each HR employee must support but also what type of functional support HR must provide to your business. You need to aim to strike a balance between maintaining enough staff within HR to support the achievement of your overall strategic business goals whilst still maintaining a lean HR staff to support operational efficiency.

***HR Staffing Rate*** measures the percentage of full-time equivalent employees that belong to the HR function or in mathematical terms: HR FTE / FTE \* 100. This measure indicates the relative presence of the HR function and the investment in the HR function by your organization. For example a result of 1.0% indicates that, on a full-time equivalent basis, one out of every one hundred employees is assigned to the HR function.

So what HR Staffing Rate should you try and achieve? This target will depend on your staffing model and structure used for the HR function, as well as your relative emphasis on investing in human capital development. It may also depend on the size of your organization, as HR functions may benefit from staffing economies of scale as your workforce grows.

As a general guideline however I have always recommended a target of 1.5% HR Staffing Rate or in other words one out of every 66 employees is assigned to the HR function.

This is shown in the following chart where the numbers of HR staff increases in a step like fashion as the overall staff numbers increase. As this happens the HR Staffing Rate trends around 1.5%.