

Compensation and Benefits Staffing Ratios

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Originally published August 2005, Updated November 2005

Metrics showing HR staff ratios to full-time employees have been available for several years. An unpublished WorldatWork survey conducted in fall 2005 places this ratio at .975 to 100, or one HR employee per 103 company employees. For companies with 500 employees or less, this ratio increases to 1.13 per 100, or one HR employee for every 88 workers. The ratio for companies with more than 500 employees is .919 per 100, or one HR employee for every 108.7.








But what is the ratio of compensation or benefits professionals to the HR staff, or to the number of full-time employees? The answers to these questions are harder to find.

In a 2005 WorldatWork online Quick Question poll, members were asked to divide the total number of compensation or benefits full-time equivalent employees by the total number of employees within their organization and multiply by 100. For example if there were 10,000 employees in an organization and two compensation professionals:

$$2/10,000 = .0002$$

$$.0002 * 100 = .02$$




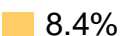
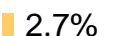
This results in .02 compensation professionals per 100 employees. The Quick Question results for compensation professionals are shown in Figure 1.

Figure 1: How many compensation staff employees does your organization have per 100 employees?		
		Votes
Less than 0.01 FTE	 35.3%	611
0.1 to 0.5 FTE	 17.8%	308
0.01 to 0.03 FTE	 17.6%	305
0.04 to 0.06 FTE	 14.2%	246
0.07 to 0.09 FTE	 10.5%	181
0.6 to 1.0 FTE	 3.1%	54
Greater than 1.0 FTE	 1.6%	27
Total votes: 1732		

Source: WorldatWork Quick Question, May 2, 2005.

The unpublished WorldatWork survey reported .09 compensation professionals for every 100 employees, equaling one compensation professional for every 1,060 employees. In companies with 500 employees or less, this ratio increases to .137 per 100, or one compensation employee for every 730.6. In companies with more than 500 employees, the ratio is .918 per 100, or one compensation employee for every 1,089.5.

The Quick Question results for benefits professionals are shown in Figure 2.

Figure 2: How many benefits staff employees does your organization have per 100 employees?		
		Votes
0.1 to 0.5 FTE	 36.1%	202
Less than 0.01 FTE	 31.1%	174
0.01 to 0.09 FTE	 21.8%	122
0.6 to 1.0 FTE	 8.4%	47
Greater than 1.0	 2.7%	15
		Total votes: 560

Source: WorldatWork Quick Question, July 18, 2005.

The unpublished WorldatWork survey reported .136 benefits professionals for every 100 employees, or one benefits professional for every 735 employees. For companies with 500 employees or less, this ratio increases to .15 per 100, or one benefits employee for every 645. In companies with more than 500 employees, the ratio is .13 per 100, or one benefits employee for every 739.

If there is typically one or less HR professional per 100 employees, it's no surprise that the specialized compensation or benefits professionals have an even smaller ratio. Each HR department is structured differently. Although some functions are consistent across industries, many vary in frequency and intensity. Technology, level of expertise, company size, industry, HR philosophies and programs can all greatly affect an organization's staffing levels.

The typical WorldatWork member (and survey respondent) works at the managerial level or higher in the headquarters of a large North American organization. Ninety-five percent of the *Fortune* 1000 organizations employ a WorldatWork member. Although the surveys did not ask members the level of expertise or exclusivity of compensation or benefit functions, a survey published

in April 2005, "The Changing Role of Compensation," sheds some light on the topic by listing competencies and skill sets.

As the workforce continues to grow more efficient and competitive, staffing metrics will continue to be a valuable measure. These Quick Question poll results will be a baseline to compare against future figures. The record number of respondents signifies both an interest and a need for these types of metrics. Future member participation will be vital in providing an accurate portrayal of the profession.

For more information:

WorldatWork Survey

The Changing Role of Compensation

April 2005

www.worldatwork.org

Saratoga Institute:

<http://www.pwcservices.com/saratoga-institute/>

U.S. Department of Labor, Bureau of Labor Statistics Occupational Employment Statistics

<http://www.bls.gov/oes/home.htm>

Society for Human Resource Management (SHRM)

2004 HR Department Benchmark and Analysis Report

<http://www.shrm.org/>

Compensation Consortium Consulting

Trends and Issues First Quarter 2003

<http://www.3ccomp.com/home/index.php>

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