

The Impact of HR Metrics on Return on Human Capital Investment: A Study of HR Professionals Employed in Manufacturing Industry of Sri Lanka

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The purpose of this study was to assess the effect of HR metrics on return on investment of human capital. The study was deductive in nature. The target population for this study had been HR professionals from leading manufacturing companies in Western Province, Sri Lanka. Based on the non-probability sampling technique, the researcher has taken convenience sampling, having a sample size of 100 HR professionals. The final sample consisted of 89 effective responses. Selected hypothesis were HR Metrics (H1), Cost per Hire (H1a), Revenue per Employee (H1b), Turnover Ratio (H1c). The data were analyzed using statistical techniques such as correlation coefficient and regression to identify relationship and impact of the variables using SPSS 21.0 version. The findings show that HR metrics have a significant positive influence on return on human capital investment. Overall, these findings support previous claims that the adaptation and correct use of HR metrics contributes to organizational ROI. It also confirms the vital role of HR Metrics in improving positive influence on human capital decisions, thus contributes to the organizational success.

Keywords: *HR Metrics, Return on Investment (ROI), Human Capital*

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