6 HR DASHBOARD KPI's THAT WILL HELP YOUR BUSINESS PROSPER

If you listen closely enough, your data will tell you a story. Quality data, well used, can transform your company's bottom line. This is true for data collected during marketing, sales and social media efforts, but it is also true for data gathered by the human resources department. Employees are a company's most valuable asset and accordingly, HR is the lifeblood of that company. And with HR collecting troves of data during everyday operations, the department occupies the most impactful position in every company. Yet, data is useless if it isn't actionable. Luckily, with the importance being placed on business dashboards and their included Key Performance Indicators (KPI's), business owners are awash with tools. When chosen wisely, focusing on the right KPI will help your HR department make better, timelier decisions. Here are 6 HR KPI's that will help your company perform admirably.

Cost per hire – Keeping tabs on your expenses is the truest route to profitability. And keeping track of how much it costs you to acquire talent is no different. When it comes to finding the right person, the costs can add up. Paid job boards, agency fees and even paying for background checks all require capital. Yet, considering the importance of talent acquisition, it's easy to think that money is no object when it comes to finding the right people, but this is far from true. As with any other expense, recruitment costs must be budgeted. This is why tracking the costs of recruitment gives a company the tools it needs to create a budget and stick with it. However, knowing the dollar amount per hire isn't adequate on its own. Comparing your data to the industry average and assessing the quality of those hires helps you find a comfortable spot.

Time to fill – When there's a vacancy, filling it is a top priority. Leaving a vacancy unfulfilled puts the brakes on productivity and profitability. This metric starts the timer when the position is first advertised and stops it when the position is filled. The time it takes to fill a vacancy indicates the efficiency of the recruitment process. Knowing this metric can also alert managers to the difficulties inherent in filling specific positions. It will also provide information that will prove useful should similar recruitment become necessary. You will also discover how long it takes you to identify the right candidate, how quickly you sign them and what hurdles prevent you from signing the right person.

Revenue per employee – How good is your company at leveraging its investment in people? Employees are your most expensive asset and HR needs to know it's getting as much out of every employee as possible. The Revenue per Employee metric seeks to answer that by finding the ratio between the company's revenue and the total number of employees. For example, if a company with 20 employees creates revenue of $800,000, dividing the revenue by the number of employees reveals earnings of $40,000 per employee. Since labor needs can vary wildly between companies, comparing this figure to others in your industry gives you an idea of how well your HR department is performing.

Overall Turnover Rate – A high turnover rate contributes significantly to low levels of productivity and profitability. There are ripple effects when employees leave. Not only are you one employee short, but company-wide productivity also takes a hit as the remaining employees attempt to pick up the slack. Your company's turnover rate gives you an idea of your team's health. There are a number of turnover metrics that should interest an employer such as voluntary and involuntary turnover rates and the turnover rates for star employees. However, for big-picture purposes, many choose to focus on the organization's overall turnover rate. Using a specific period, divide the number of individuals that left by the average number of employees, and multiply that result by 100.

Absenteeism – Employees missing work regularly can be an important red flag HR shouldn't miss. Absenteeism signals to HR that employees are unhappy or unfulfilled in their roles. Not only do repeated absences lower productivity, but it is also handy in predicting turnover. Apart from this, frequent no-shows at work are almost always linked to other ills such as low engagement and substandard effort. Data on absenteeism should be compiled into three categories: planned, unplanned and late arrivals/early departures. Identifying a pattern of absenteeism or an increasing frequency of such gives HR the notice they need to reengage the affected employee and/or plan for succession. On the other hand, if absenteeism is rampant throughout your organization, it may signal the presence of deep-rooted organizational issues.

Salary Increase vs. Revenue Increase – Managing HR means ensuring a return on every dollar invested in salaries. When salary increases become inescapable, HR shoulders an even greater burden to justify this increased spending. How will the company benefit from these increases? Will there be a return on investment? This metric helps to understand the effect that salary increases have on your company's bottom line. For example, if company' salaries increased by 6.3%, does this translate into a 6.3% increase in revenue? Revenues that are lower or higher than projected will help HR to understand how salary increases work for the company as well as the tools to strategize further increases.

It's important to remember that metrics are supposed to give you a clearer view of your company, not to confuse you. And while metrics should spur you on to action, no employer should obsess over a single number. Analyzing these data points offers a window into the health of the company. However, one or two metrics only tell the story partly and running a successful business demands that you look at the entire picture.