Top 10 Metrics to Enhance Your Workforce

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Background

Building a stronger workforce in 2021

The shifting realities of work caused by the pandemic has taken a toil on many blue collar workers—and the businesses that employ them.

Even as remote work becomes integral to operating in the post-pandemic era, it's rarely an option for industries such as construction and manufacturing, whose workers usually have to be on-site.

To adjust to changing work trends, while meeting the evolving demands of their business, it's crucial that organisations gather and measure their workplace information and data effectively.

This is so they can better plan their management strategy, and steer their business towards organisational resilience in the new year.

89%

89% of respondents feel that HR metrics can be used to plan the future of their workforce[1]

25%

Companies that deliver on workforce experiences are **25%** more profitable than competitors in the bottom quartile[2]

75%

Workforce planning, strategy and chance are what businesses will most likely work on in the 12 months, with **75%** reporting they will spend the same or more[3]

[1] HR Technologist, "20 HR Metrics You Need to Track in 2020",
https://www.hrtechnologist.com/articles/hr-analytics/important-hr-metrics/

[2] Deloitte, "Bridge across uncertainty",
https://www2.deloitte.com/us/en/insights/topics/talent/building-a-resilient-workforce-in-times-of-uncertainty.html

[3] McKinsey, "HR says talent is crucial for performance—and the pandemic proves it",
https://www.mckinsey.com/business-functions/organization/our-insights/hr-says-talent-is-crucial-for-performance-and-the-pandemic-proves-it

Why tracking metrics is important

There is a wealth of insights to be gleaned from your human resource (HR) data. By helping you keep track of these information, metrics lets you measure the effectiveness of your current HR and business initiatives.

These can even help your business tide through potential crises—such as the pandemic that had just swept the globe—and uncover insights that influence long-term performance. How much of your workforce will need to go through additional reskilling? How much does it cost to look for and hire new workers today? How engaged is your current workforce? Answering these questions can go a long way in helping your business plan for the future.

In addition, your organisation can examine employee data, while gaining visibility into and forecasting the direction and performance of your business. When coupled with predictive capabilities and analytics, measuring these aids you in optimising the productivity of your workforce, recruiting new talent, and fulfilling a myriad of business objectives, be it cost savings, better engagement, and improved workforce management practices.

Above all else, doing so can bolster your business management strategy, while highlighting potential opportunities that can enhance your strategic plans.

Top 10 metrics to track workforce health

What gets measured gets done. Defining what you need to measure is dependent on your organisational size and priorities, such as enhancing employee development or recruitment practices. However, these are some common and important metrics that most—if not all—businesses will need to monitor their growth and performance.

1.Cost per hire	This measures the average amount of money, resources and time allocated towards hiring a new worker. Businesses that recruit rapidly without considering this may find themselves outpacing their budgets quickly. This can be calculated by looking at the cost of recruitment ads, the hours needed to screen and hire a candidate, and the amount of value the new worker adds to your business.
2. Time to hire	A metric that's closely tied to cost per hire, time to hire is the average number of days between a job posting and the acceptance of a job offer. By measuring the efficiency of your recruitment process, you can gain valuable insights into the difficulty of filling specific positions.
3. Training spend per employee	This assesses how much money is spent on training throughout the year, compared to your budget. This can also identify roles that are performing well, and which positions may require more training. You can calculate this by dividing the cost of your training by the total number of employees.
4. Turnover / employee retention rate	This is used to determine employee retention. High turnover rate should be avoided, since more resources will be needed to recruit and train new workers. You can find this out by looking into how many employees are leaving your organisation within a period of time, divided by the average number of employees. A closely related metric will be the employee net promoter score, which indicates how happy your workforce is, and the attrition rate in your business.

5. Job satisfaction rate	This refers to the number of employees who would recommend your business to other potential workers as a good place to work in. You can find out this figure by comparing it to workers who wouldn't do the same. By monitoring job satisfaction levels, you'll get a bigger picture of how you can reduce the need to constantly look out for new workers.
6. Shift attendance rate	This calculates the average number of days workers do not turn up for their shift, in a period of time. The costs of absenteeism not only impact the bottom line, but also negatively influence morale, leave projects unfinished, and reduce overall business performance.
7. Percentage of spend on overtime	This measures the amount of overtime workers are putting in in a period of time. Monitoring overtime can reveal how effective your scheduling plans are, which is crucial for businesses that have to pay workers an increased rate for overtime.
8. Recurring workers rate	This calculates the percentage of workers with prior experience working with your organisation. A high recurring rate means reducing the amount of time and resources spent on getting your workers acquainted with their roles, thus reducing overall costs.
9. Ratio of HR to workers	This assesses the overall cost of HR support. You can find out this figure by calculating the number of workers per HR professional you have. Ideally, an efficient organisation with mature analytical capabilities should be able to hire a smaller number of HR professionals.
10. Ratio of supervisors to workers	This measures the number of workers per supervisor in your business. Similar to the previous metric, an efficient business should keep the number of supervisors lean. You can also calculate the cost of HR per employee by taking the total pay of the HR team, divided by the total number of employees.

Regardless of the metrics you choose to measure, it's important to set a goal for each, which can relate to business growth. By determining your own targets, you'll be able to make incremental steps towards meeting your organisational goals.

5 challenges behind effective, accurate metrics

Metrics deliver essential insights that allow your business to determine if you are spending your resources in the most cost-effective and efficient manner.

But despite their benefits, getting the most out of these metrics means measuring and building them upon a robust foundation of data—a task that many organisations may find to be a significant challenge.

This may be complicated by how data collection is not a core function for many, which can impact the type and quality of data gathered.

As diverse pieces of data are housed across various locations, this can result in incomplete information and metrics that are not easily integrated. What is worse is when this issue is not identified by employees, who may not even realise the data they are compiling is inaccurate or out-of-date.

2. Ineffective paper-based systems

1. Disparate data sources

Many businesses still utilise multiple systems to store their company data, with reports often put together from disjointed data sources, such as paper-based spreadsheets and documents, and manual systems put together on the fly.

Paper-based systems and manual reporting tools, such as timesheets, reports and shift schedules, are still frequently used by many businesses.

This is complicated by sudden changes in roster schedules. When managers need to manually amend and compile these changes, these usually result in inaccurate and outdated data.

3.Lack of resources to analyse data

Despite leaner budgets, the HR and operations departments are still expected to deliver more with less resources.

However, time may not permit them to continuously oversee and analyse these metrics, much less offer suggestions into improving workforce performance.

In addition, metrics should be delivered in a user-friendly format that is also easy for decision-makers to digest—yet another time-consuming process for these departments.

Some businesses may also struggle with analysing these metrics, due to a shortage of trained professionals or talent.

4. Human errors in data maintenance

Inaccurate data that stems from human errors, be it from mistakes from data entry or poorly maintained schedules, timesheets and reports, has made workforce data difficult to organize. This results in low quality data, which can negatively impact business decisions, while impeding managers from understanding how data can be effectively utilised for key decisions.

# 5. Lack of know-how in using metrics

Many key decision-makers are unsure about how they can better use these metrics to improve productivity and fulfill long-term business goals. Without knowing what metrics can be leveraged, this has led to HR delivering a huge variety of abstract numbers and stats, which may cause even more confusion and frustration for managers.

By understanding the reporting and organisational needs, and how metrics can shape your management strategy, HR can deliver usable metrics and present them as actionable insights.

Tapping on a Workforce Management Platform

The escalating issues around coming up with and leveraging metrics can present businesses with challenges that should be quickly dealt with. How can your organisation overcome obstacles behind efficient data collection, while reaping substantial benefits from metrics that can help you develop a smarter management strategy?

The answer lies in a workforce management platform—a tool to better connect your workforce to your business by organising them efficiently and effectively. Not only should this software deliver features that can analyse trends among your workforce, it should also recommend changes and shifts that can optimise productivity and performance.
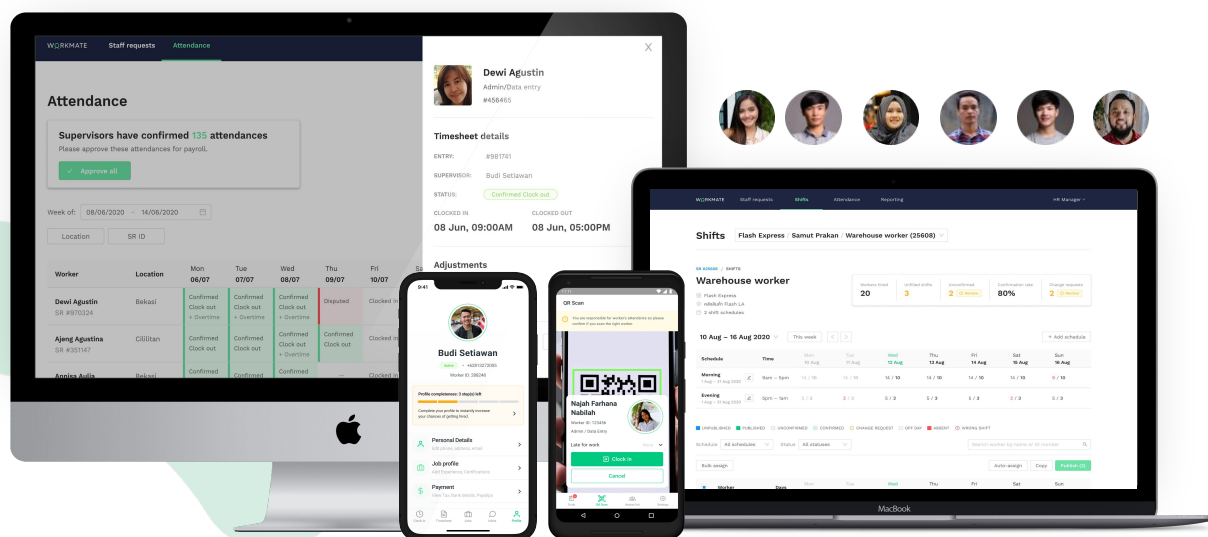
What is a workforce management platform?

Here are some key features you should look out for in an effective workforce management platform:
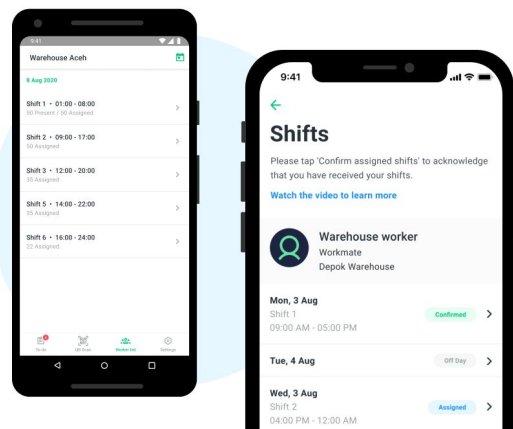

1. Smart shift management

Shift schedules can be erratic and change frequently. A solution that can create and communicate shift schedules in a single platform, while automatically coordinating and confirming shifts with workers, can minimise absenteeism while reminding workers to come to the right shifts.

2. Track time and attendance accurately

Ensure that worker attendance is accurately taken and accounted for, while allowing both workers and managers to include late or overtime adjustments that are automatically reflected on their timesheets. In particular, solutions that allow timesheets to be approved in one click can eliminate unnecessary hours—even days—spent on reconciling data.
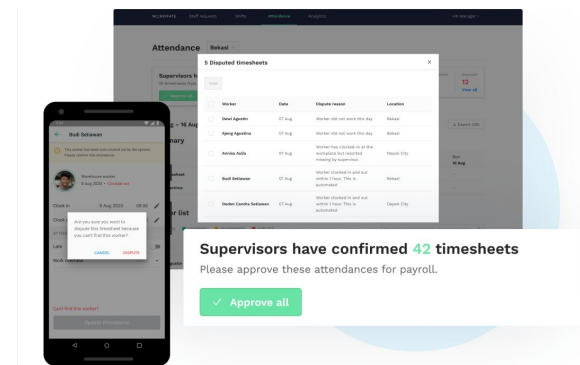
3. Quick and accurate payments

Approved timesheets should be sent automatically to payroll, so they can be processed swiftly, and workers can be paid quickly and accurately. This can lead to a happier, more productive workforce—and lower turnover rates.
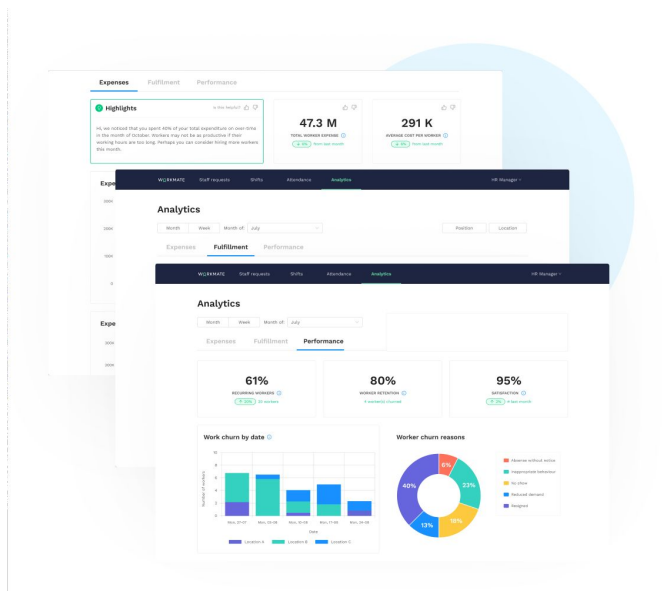
4. Real-time performance data

Centralised and immediate visibility on your warehouse performance, powered by real-time analytics dashboards that track metrics such as fulfilment rates, performance and overtime, is critical to increasing accountability at the workplace. Potential issues and anomalies, such as high overtime costs, can also be quickly identified and remediated, and performance immediately optimised for better output. At the same time, the solution should deliver a bird's eye view on worker retention rates and churn, so appropriate measures can be made.

5. Simplify blue collar recruitment

In situations where workers are unable to turn up for work, it's imperative for businesses to find replacements as soon as possible. A platform that can ease recruitment challenges and optimise labor allocation by allowing businesses to oversee, manage and recruit blue-collar staff in one single platform is a clear advantage. This can also enhance resource planning, so you can staff for future business needs with much less frustration.
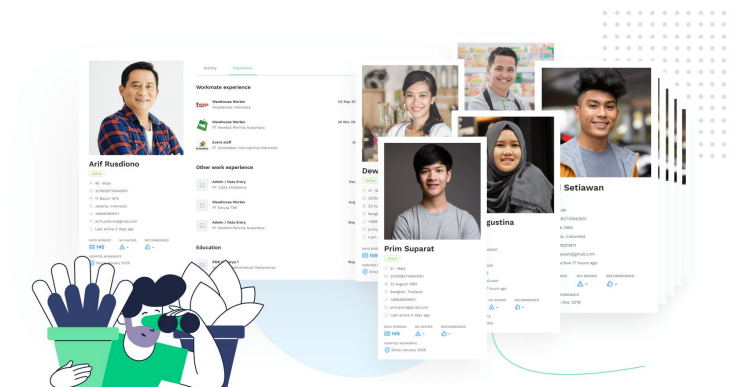
6. Using data to optimize workforce planning

More than just presenting information in an easy-to-digest format, data and metrics should be analysed to help businesses make the best decisions. This includes actionable insights that can recommend suitable workers, manage workforce planning, and assign shifts automatically, especially when a vacancy needs to be filled.

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