



RECRUITING TRANSFORMATIONS

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MEASURING QUALITY OF HIRE

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In my recent article, *Measuring Performance of Corporate Recruiting*, I went out on a limb and said Quality of Hire (QH) is the Holy Grail metric for most organizations. Poor Quality of Hire can quickly destroy a team or company, while excellent Quality of Hire can, over time, take an organization to next-level performance.

But here is the problem: Measuring QH is insanely difficult. So difficult, in fact, that most companies never bother to measure it.

So, the purpose of this article is to outline several methods to measure. Some easy, some hard, but all possible.

STEP 1: DEFINE "QUALITY"

What is a "quality hire?" Before you can ever hope to measure it, you must first define quality for your organization. This is probably the hardest part of this whole process, as there may be differing opinions in your company. Does "quality" mean culture fit? Team fit? Job fit? High performance? Low turnover? All of the above and more?

Gaining internal agreement on a definition of quality is Step 1, and it's a difficult one. For me, I would use "High

Performance” and assume that nobody can perform well without team fit, culture fit, and reasonable longevity. Anyone who needs specific ideas on this is certainly free to connect at email me.

STEP 2: MEASUREMENT METHODS

Now, down to the nitty-gritty. Here are a few suggestions:

- 1. Customer Satisfaction Method.** Use a survey to ask your hiring managers how *satisfied* they are with the quality of their new hire. This is easy data to get, and you can measure it over time and provide trend data. However, the accuracy is suspect. First, few hiring managers will admit that they made a hiring mistake, and most are satisfied early on or they would not have offered the position. Secondly, this is subjective, not compared to an objective standard of quality. The last drawback to surveys is that hiring managers grow weary of completing them for every hire, and a Manager who has hired 10 people won't want to rate 10 people in a survey.
- 2. Performance Method.** The proof is in the pudding. How well does your company measure performance, and what is the rating of the new hire? For example, *if* your company has a 5-point performance review scale, and *if* all 5 points on that scale are used and there is reasonable distribution, then you will be able to chart how many 3's, 4's, and 5's your team has landed in the last cycle. Most companies, however, don't differentiate much, and you have to wait most of a year for your data. This is good information to have *if it's reliable*, but the delay in getting it limits its usefulness.
- 3. Predictive Modeling Method.** This method blueprints your high performers and allows you to measure how your candidates and hires compare to already successful employees. This is typically done through assessment. First, you assess a statistical group of high performers in a given job, then you create a success pattern based on data trends with high performers. Then, you select employees who are a close match to your high performers in that job. Variance from the success pattern can be easily measured and reported as Quality of Hire. The business case for assessments is easy to make, as the cost of a bad hire is *immense* and not hard to calculate.

The *Predictive Modeling Method* is by far my favorite, but it should be coupled with the Performance Method just to make sure your predictive analytics are, in fact, predicting.

IMPLEMENTATION: Besides helping companies establish meaningful recruiting metrics, I teach teams how to quickly and affordably implement the *Predictive Modeling Method*. It has taken me many years to find tools that are affordable enough and easy enough to use for large scale deployment, not just for “select” executive roles. Anyone interested in more information can reach me at jgates@RecruitingTransformations.com.

ABOUT THE AUTHOR

John Gates is a Corporate Recruiting Strategist with 25 years in Agencies and Fortune 500 leadership roles. He has built or rebuilt struggling recruiting functions for 4 separate companies and is now the Recruiting Process Architect for Corporate Recruiting Transformations. As a Consultant, he specializes in rebuilding corporate recruiting process, up-skilling corporate recruiting teams, and transforming the performance of growing companies.

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