

Quality of Hire Metric...What it is, what it does, how it helps.

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There is little doubt that in today's competitive market, "quality of hire" should be the primary metric that companies employ as part of their talent management strategy.

Yet it is rarely measured or analyzed. In June, it was reported that 69% of companies are not measuring quality of hire.

Out of those companies, 9% said that they had no plans to introduce the metric to their organization.

Of the companies that do monitor and measure quality of hire, nearly half believe that it has a "significant" positive impact on hiring quality. It is the most important metric to drive profitability, innovation and success.

The spend for talent (on average) consumes 70% of operating expenses for U.S. companies. Therefore, employers cannot afford to leave the quality hiring initiatives to chance if they want to create a competitive advantage for themselves.

But why is the metric so elusive and hard to implement? Many times, it is because employers have a hard time defining "quality". To help with this process, ask these 5 questions:

- What does "quality of hire" mean in our business? How do you define success? This definition varies for each and every company. If you do not know, take a survey of department heads and team leaders.

- What data would indicate quality of hire? Cost of bad hire? Turnover rate? Performance data? Rate of promotions?
- How do we measure each of these indicators? Can you profile “top performers” and find commonalities?
- How important is improving the quality of our hires for the organization?
- Are we currently bringing on quality hires? Many companies mistakenly think they are. To find out, survey management and evaluate the employees’ performance appraisals.

Onboarding

The process does not stop the minute the employee is hired. Conducting an interview with new hires after their onboarding period ends can give management a real indication of their success potential, in addition to help uncover what elements of the recruitment process and onboarding process need to be reworked.

Accountability

Most organizations hold management accountable for business development, but few hold these same groups accountable for the hiring of quality talent.

Management drives candidate/staff quality, and the most effective way to hire quality people is to hold management accountable. Incorporate this metric into all management performance appraisals. However, accountability does not only mean negative consequences. It can result in rewards, recognition, accolades, etc.

Quality of hire is an extremely important component of any talent management strategy. In fact, the ability to track and measure this metric can become a dividing line (so to speak) between the companies that are able to maximize the value of their talent and those that don’t. Snelling is here to help. We have been providing high quality workers to our clients for over 60 years. We realize the competitive advantage having a strong team of people can have on your business. Visit our website today to locate your local Snelling office. We are ready to get to work for you today.