

Webinar on “Quality of Hires - The New Hiring Metric”

31st July, 2014



Preview

- **Commonly used Hiring metrics**
- **Defining and Measuring 'Quality of Hire'**
- **Steps in defining and measuring Quality of Hires in your organization**
- **Influencing Business to focus on Quality vs. Quantity of Hires**
- **Way forward- Implementing the Measure**

Presenter

Arunav Banerjee, Program Chair for the HR Leadership Program at SOIL

Arunav is currently the **Program Chair for the HR Leadership Program at SOIL**. He also executes independent consulting assignments in the area of HR and People Effectiveness.

He has over 30 years of experience of which his industry experience (of over 15 years), saw him in various functional positions across the HR spectrum.

He is currently the Subject Matter Expert on Human Capital Analytics with SHRM. Over the last two years he has worked on a number of assignments using HR Analytics as the basic tool. One of these assignments has been to help a large IT giant shape its future HR strategy using analytics to determine its strategic choices.



The importance of metrics

“If it cannot be measured, it cannot be improved” a quote attributed to Lord Kelvin

Metrics distinguishes fact from fiction... metrics is data expressed in a format that lends itself to meaningful analysis

Wrong data or incorrectly defined metrics can produce completely erroneous results

The science of Analytics depends on carefully crafted metrics for its success

“Quality of Hire”



How do you define “quality of hire”?

To answer this question, it is important to understand the purpose of hiring:

IF YOUR PURPOSE IS:

to hire against a job vacancy...
to hire for a role...
to hire for a career...

THE CRITERIA YOU USE WILL BE:

Does the candidate meet the specs?
Does the candidate fit the role?
Does the candidate match the
organisation profile?

Note: In each succeeding option, the criteria that you use includes the criteria for the previous option

Quality of hiring is therefore is the extent to which the candidate, on selection, fits the purpose for which she has been hired

Quality of Hiring

Has two components:

- **Result:** Quality of Hire
- **Effort:** Quality of Hiring Process

Quality of Hiring can therefore be defined as ensuring the standardization and rigour of a hiring process that delivers:

- high Quality of Hires
- over large numbers
- consistently
- over a sustained period of time

A leading indicator gives a signal **BEFORE** the new trend or reversal occurs.

A lagging indicator gives a signal **AFTER** the new trend or reversal occurs.



Introducing Lead and Lag measures

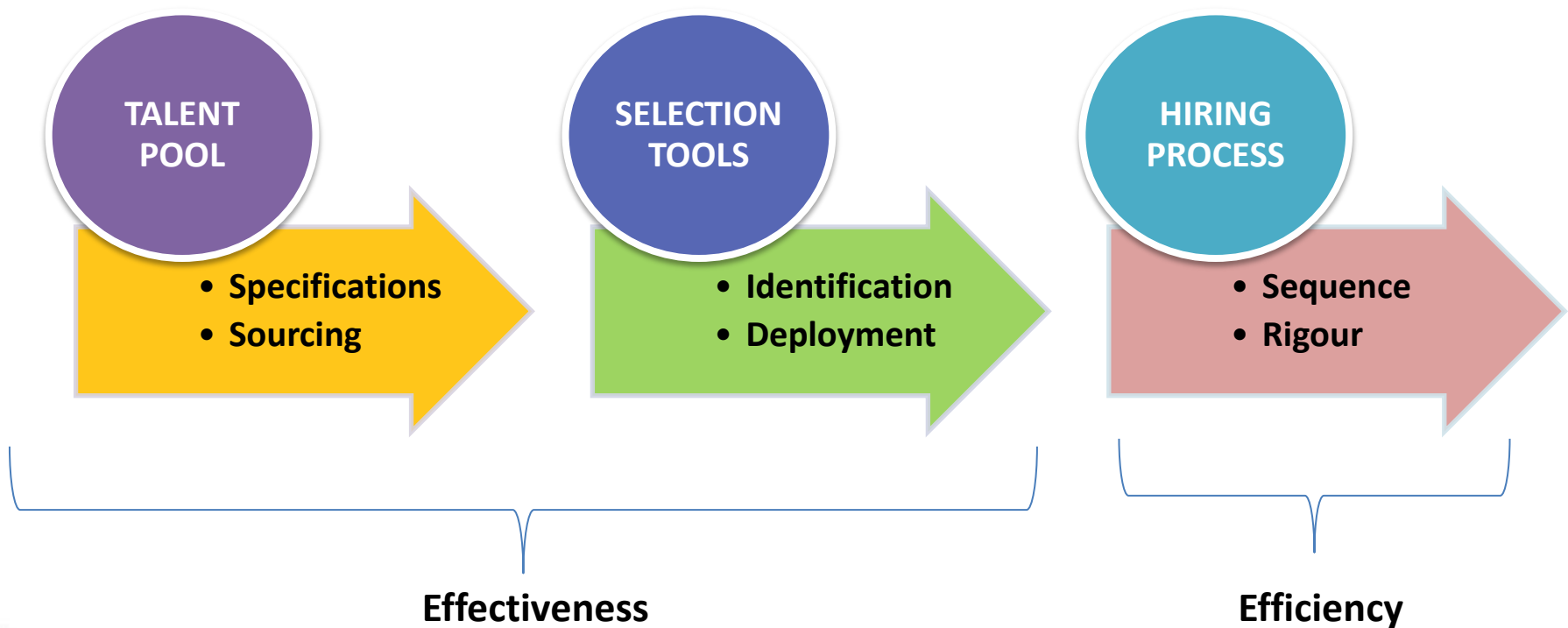
Q: Can you measure Quality of hire during the selection process?

Quality of hire will ultimately be measured *post facto* i.e. only after the candidate has been selected and has been performing in his or her position for some time... however, you can predict to a reasonable extent whether a candidate is likely to meet quality of hire criterion. This is the quality of your hiring process

Q: How do we predict quality of hire?

There are Lead and Lag measures. Lead measures are those which precede, or are during, a process; lag measures are those which follow the completion of the process. Prediction is usually done by defining the correct lead measures and applying them

Understanding the Hiring Process Flow



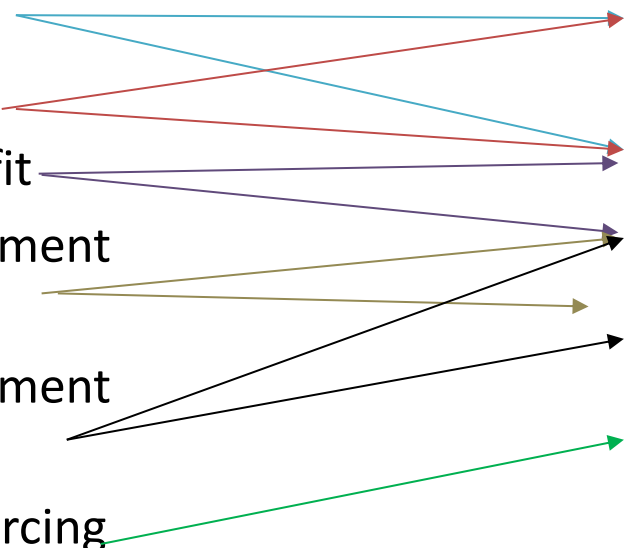
Measures to increase Effectiveness

LEAD MEASURES

- Source Quality
- Person ~ Job fit
- Organisational fit
- Selection instrument reliability
- Selection instrument consistency
- Effective Resourcing
- Resource Training

LAG MEASURES

- Drop Out rate in the hiring funnel
- Infantile Mortality rates
- End of Year Performance Assessment
- Valuable Employee Assessment
- Hiring Cost



Measures to increase Efficiency

LEAD MEASURES

- Extent of Planning
- Quality of Resources
- Process Improvement measures

LAG MEASURES

- Yield at various stages
- Turnaround times at various stages
- Meeting Hiring Budgets

Steps to improve Quality of Hires

Define the constituents of Quality (of hires)

Determine the lag measures to measure the quality

Prioritise the needs for improvement

Analyse which processes contribute to higher quality

Determine the parameters that control these processes

Use analytics to determine areas for process improvement

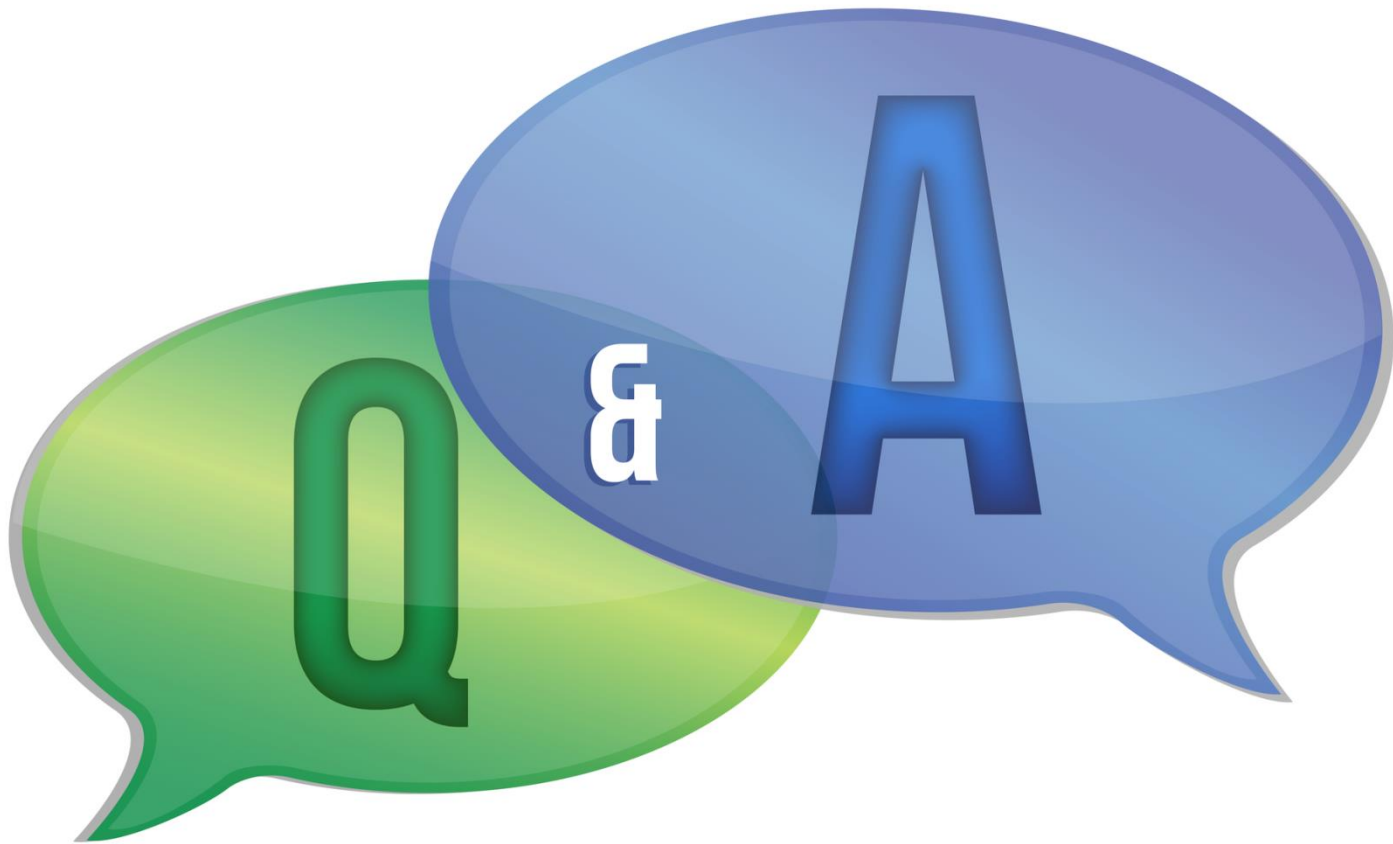
Implement the insights from the Analytics exercise

Quality versus Quantity of Hires

- The cost of wrong or bad hiring and the cost of under or over-hiring can be enormous
- Use Analytics to keep track of the cost of ineffective and / or inefficient hiring
- Focus on improving the hiring process using metrics
- Determine the gains in engagement and productivity due to improved hiring

Way Forward

- Create awareness of the cost of ineffective and inefficient hiring
- Set up systems and processes to capture hiring data as part of normal operating processes
- Convert data into metrics
- Use Analytics to constantly improve hiring
- Measure the improvement



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He is a book author, columnist, management consultant, keynote speaker, and founder of the customer service training company, UP! Your Service.

Kaufman is the author of 16 published books on business, service and professional motivation. He served as a columnist for Bloomberg Business week and Chief Learning Officer magazines.

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