

# Quality of Hire: How Companies Are Crunching the Numbers

By Samuel Greengard

One of the few things that companies agree on is that "quality of hire" is an essential recruiting metric. When asked what it means, however, many companies are stumped.

To shed light on the subject, here are several common ways to measure whether an employee is a success:

- **Goal Completion.** Too often, employers don't establish specific metrics for measuring an employee's success on the job--particularly for white-collar workers during the first 30 to 90 days. It helps to have a mutually-agreed-upon goal. The goal can involve measures of quantity, quality or a combination of the two. For example, a technical writer might produce three manuals per month; a software programmer might produce a certain number of lines of code with an error rate below 1 percent. More objective standards lead to fewer disagreements and arguments.
- **Capacity.** A retailer might expect an experienced call-center rep to handle an average of 100 calls per hour while maintaining a customer rating of "satisfactory" or above. The organization should understand what a typical person can handle during the first month or 90 days and communicate the requirements to new hires.
- **Motivation.** Is the person interested in his work? Does she come to work on time and appear motivated and energetic? It's pretty much a subjective measure based on the assessment made by their supervisor or manager. However, it is possible to provide managers with a framework for measuring motivation by creating a list of specific criteria that describe such abstract words as motivation. If an employee, for example, asks to take on more responsibility, or wants to know more about a subject or about the company, that might indicate a high level of motivation.
- **Knowledge and Skills.** It sounds simple enough: does the person have the requisite skills to perform the job at a high level? It's rare for a company to hire someone and then fire the same person because of a lack of skills. However a lot of people claim to be an expert programmer but are really more of an intermediate programmer. It's smart to use objective measures such as a skills test both pre-hire and post-hire. The one drawback? Many people resent having to take these tests, especially after they have already been hired.
- **General Performance.** It's particularly important to know whether a new hire is performing on a par with others in the department or functional area. Although it's next to impossible to eliminate subjectivity, a stronger emphasis on metrics and measurement standards translates into greater success. Peer review and 360-degree performance reviews can help an organization achieve more objectivity. You might ask all 10 people in the department to rate the new hire after 30 or 60 days and look at the resulting profile. You eliminate the bias that a single person might have.

- **Problem-Solving Skills.** Almost every job requires some ability to analyze and solve problems. A trademark of a good employee is the ability to solve problems without a lot of input from their manager or supervisor. If an employee is continually asking basic questions, then he or she may lack the required problem-solving skills.
- **Experiential Contributions.** The ability to bring knowledge to the job based on learning from past jobs is another key factor in measuring a new employee's value. Again, there's a certain amount of subjectivity involved in such assessments, though it's possible to rate workers on the basis of key criteria or through a peer-review process. Some people come into a new job and are unable to apply what they've done at previous jobs to their current position.
- **Customer Compatibility.** In some sectors, such as retail or sales, it's essential to track the number of complaints from customers about a new employee and the seriousness of the complaints. Wheeler says that a simple customer survey can go a long way toward understanding performance issues. If serious problems arise, a follow-up call to the customer can provide useful information.
- **Work-Group Compatibility.** In recent years, the ability of employees to function effectively within a work group has become a key factor in achieving success. Getting along with others, handling an appropriate workload and meshing with the group's culture is critical. If a person doesn't fit the work team, huge problems can ensue. In some cases, a person might be an excellent employee and a valuable asset, but not fit a particular work group. It's important to match the person to the right group. Good employees sometimes wind up getting fired because the organization assigns them to the wrong work group and isn't willing to make the necessary adjustments.
- **Organizational Compatibility.** The most important compatibility issue is centered on the individual's fit with the corporate culture. It's conceivable that a person doesn't get along with the people on his team but can be transferred to another team. However, if an individual doesn't fit into the organization's overall culture, it might not be the right match. He believes that attitudinal surveys administered during the hiring process can reduce friction down the line. When there's a cultural fit, the odds of an employee succeeding are much greater.
- **Change/Learning Attitude.** Today's fast-paced business world demands constant change. Employees who can adapt--and make a concerted effort to constantly learn new skills and upgrade their knowledge--are more valuable and more likely to succeed. Companies can determine such qualities by conducting an attitudinal survey after the employee's first 30 to 90 days. The capacity for change isn't so easy to instill in employees, so HP, Southwest Airlines and other companies try to measure this during the interview process, rather than hope that an employee will suddenly become flexible a month into a new job.