

# Why You Must Redefine Quality of Hire (and How)

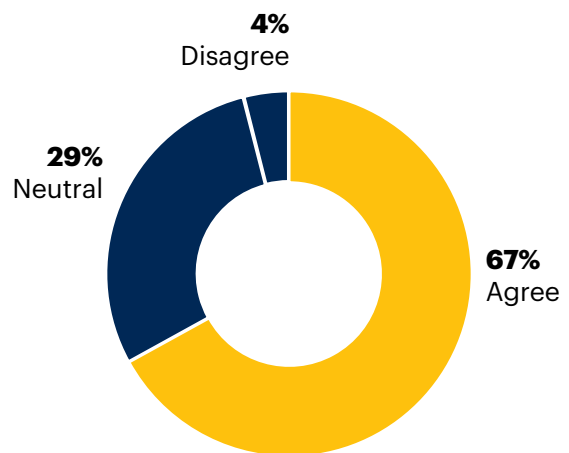
by Jack Fuller



Recruiting leaders are under pressure to improve quality of hire, but the ways they track and measure this outcome are often outdated. This research explains why recruiting leaders should update their definition of quality of hire and how it needs to change.

Measuring the recruiting function's performance is a double-edged sword. Tracking efficiency is often straightforward: Many outcomes can be calculated in days, financial value, pipeline ratios or simply the number of requisitions filled in a given time frame. Softer measures such as "quality," on the other hand, are much more elusive — and more important.

**Figure 1. Recruiting Leaders Under Pressure to Recruit Higher-Quality Talent**  
Percentage of Respondents



n = 49 recruiting leaders

Q. To what extent do you agree with the following statements about changes for recruiting leaders like yourself? We are under more pressure to recruit higher-quality talent?

Source: 2020 Gartner Recruiting Executive KPI Benchmarking Survey

In our 2020 survey of recruiting leaders, 67% reported being under more pressure to recruit higher-quality talent (see Figure 1). This was a challenge even before the COVID-19 pandemic, and if anything, it has become even more pressing over the past two years. While “quality of hire” is generally understood to be a measure of the caliber of new talent an organization hires, few can say confidently how it should be measured despite the constant pressure to improve it. This raises an important and troubling question: How do recruiting leaders know if (and when) they are making meaningful progress?

## Current Measures Overemphasize Hiring Manager Opinion and Current Role

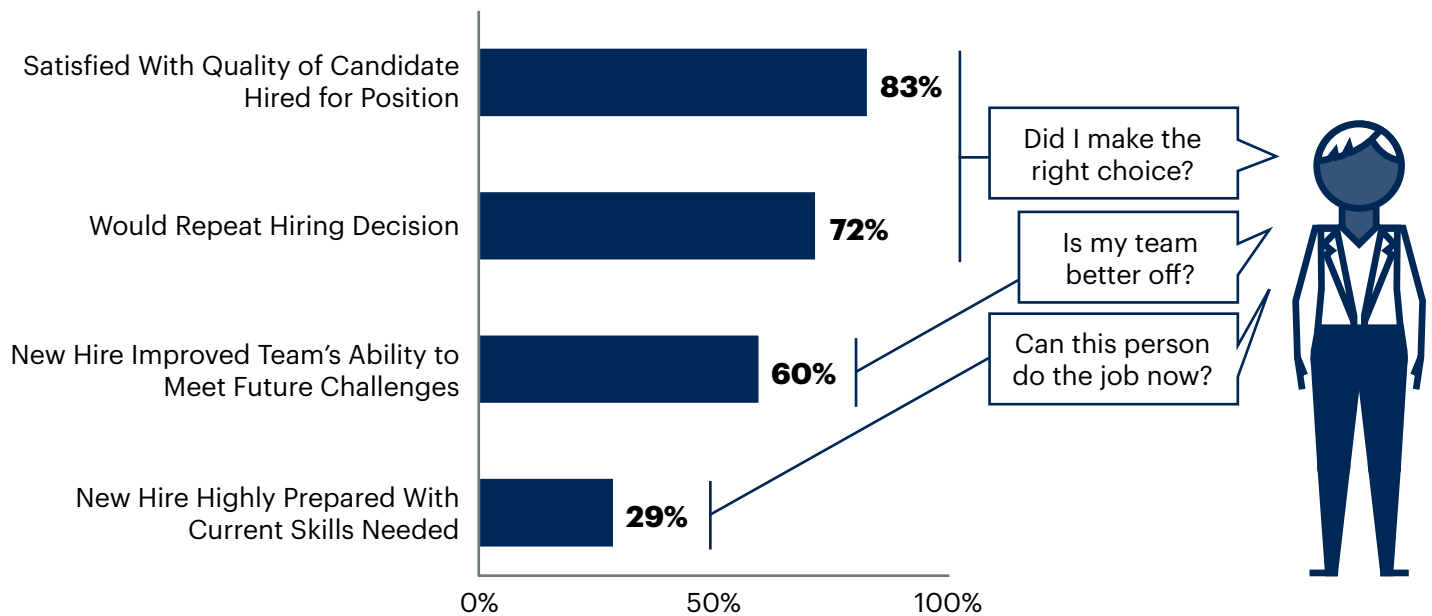
As far as most recruiters are concerned, quality of hire is a reflection of what the hiring manager thinks about the new hire in the current role. Typically, this is measured by Net Promoter Score, willingness to repeat, or some other

general satisfaction metric on a posthire survey. Occasionally, new-hire performance ratings are considered after onboarding or orientation is completed. The problem with these measures is not that they are useless, but rather that they aren’t measuring quality. When you ask a hiring manager, for example, how satisfied they are or if they would repeat their decision, they’re answering the question, “Did I make the right choice?” (see Figure 2). This is entirely different from asking them if the new hire has the skills they will need to be successful in the future.

These measures may have been useful in a work environment characterized by stable skills and role requirements, longstanding organizational structures and ladder-based career paths (where hiring managers have held the role they’re hiring for). Today, however, three fundamental talent realities undermine their utility to the recruiting function:

1. Rapidly changing skills and role requirements
2. More collaborative work relationships
3. Talent mobility crossing traditional boundaries

**Figure 2. Percentage of Hiring Managers Rating New Hires Highly, by Definition**



n = 3,517 hiring managers

Source: 2019 Gartner Hiring Manager Panel Survey

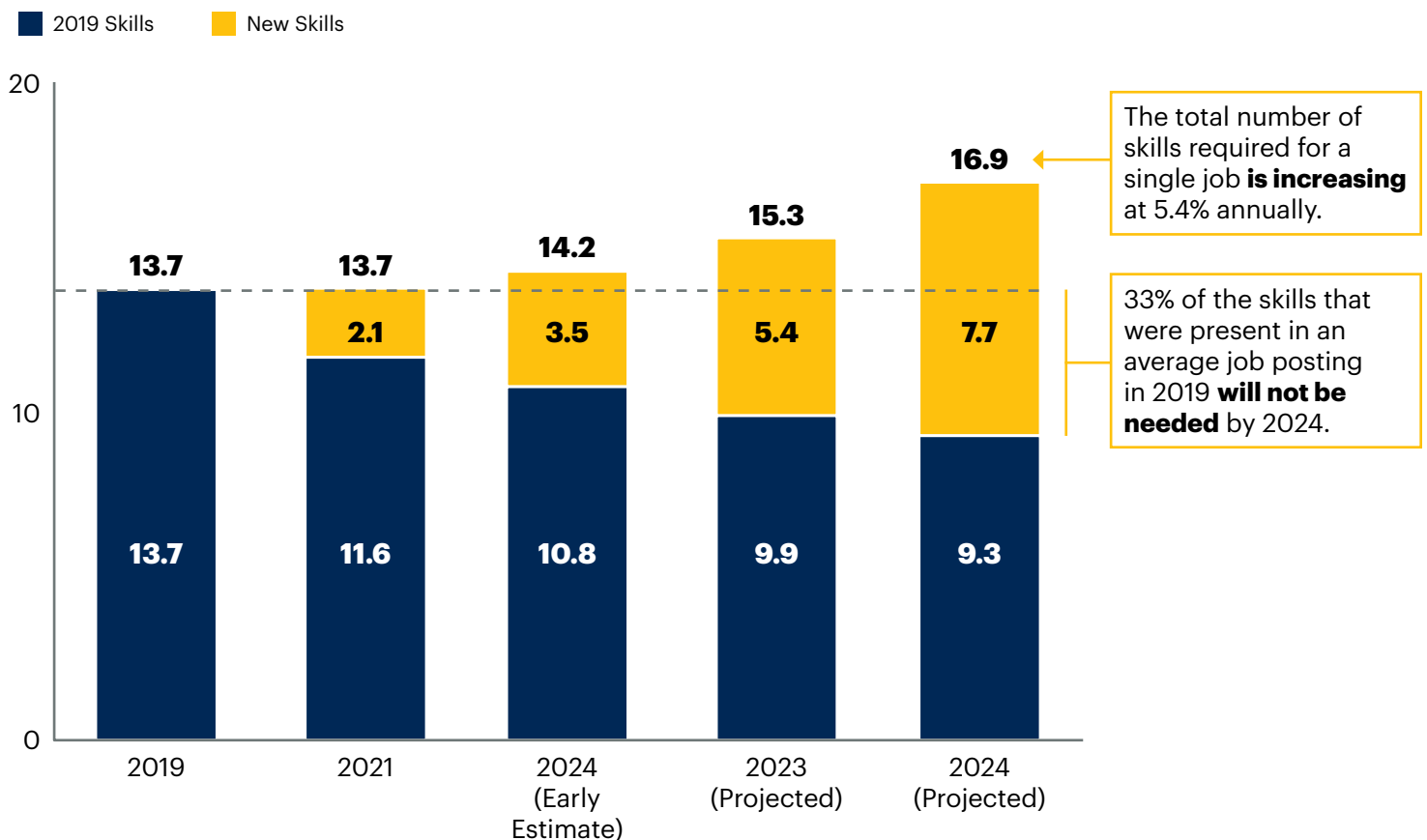
## Rapidly Changing Skills and Role Requirements

Talent management priorities in today's work environment are in flux, characterized by frequent reorganizations, addition and elimination of roles, and changing skills and competency requirements.<sup>1</sup> It's no surprise, then, that the skills required for roles are highly volatile. For example, an analysis of job postings for IT, finance and sales roles at S&P 100 companies based in the U.S. shows the average number of skills required for these roles has

increased by 5.4% each year from 2019 to 2022, and nearly a third of the skills required in 2019 were set to become redundant within the same time frame (see Figure 3).

This indicates that capturing the extent to which the new employee has the skills required for their current role is no longer a useful way to predict how well they will perform over time. In other words, prioritizing specific skills (especially technical skills) as a barometer of quality of hire will likely lead to lower-quality hires in the long term.

**Figure 3. Average Skills Required per Job Posting**  
IT, Finance and Sales Roles in the U.S. (S&P 100 Companies)

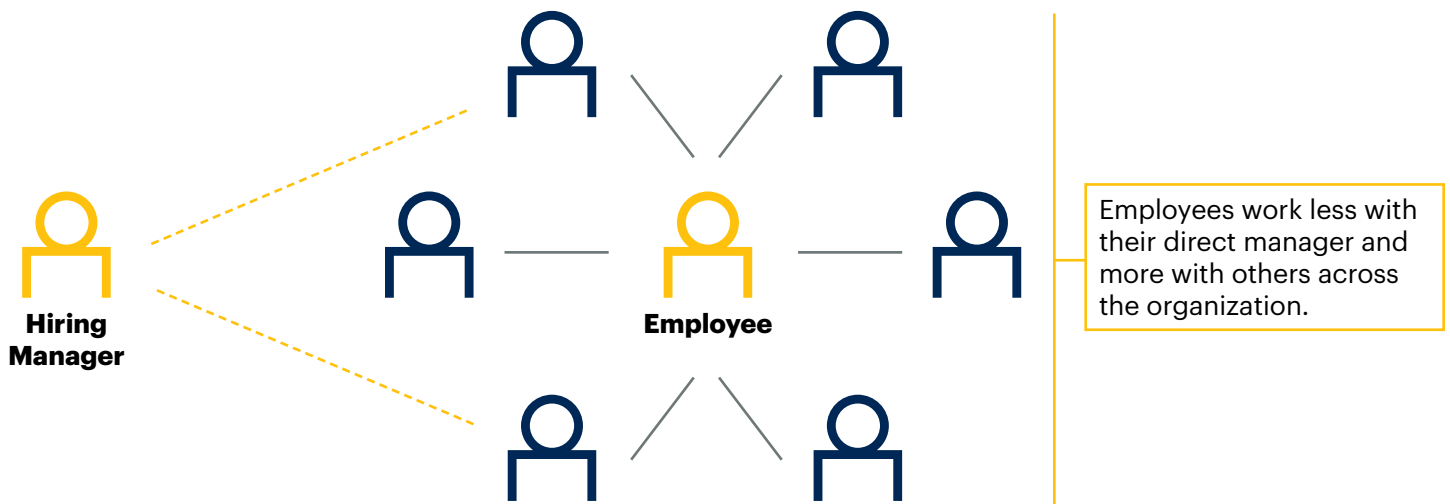


n = 7,897,507 S&P 100 full-time/permanent job postings (1 January 2019 to 31 March 2022)

Source: Gartner TalentNeuron

Note: 2020 excluded from analysis due to major pandemic-induced disruption in the job market; Compound annual growth rate from 2019 to 2024

**Figure 4. Hiring Manager-Employee Relationship in a Matrixed Work Environment**  
Illustrative



Source: Gartner

## More Collaborative Work Relationships

One positive implication of the rise of matrixed organizational structures is that employees are more likely to work with others outside of their immediate team. Likewise, they are less likely to work directly with their hiring managers and more with others across the organization (see Figure 4). Partially as a function of shifting roles and structures, hiring managers themselves are also becoming less intimately familiar with the roles they are filling. In a 2021 survey of hiring managers, only 28% said they had worked in the role they were hiring for, and only 40% had previously worked with someone in that role.<sup>2</sup>

While this does not invalidate hiring manager perceptions about what makes a new hire “high-quality,” it does mean their opinions should not be the ultimate determining factor when tracking and measuring quality over time.

## Talent Mobility Crossing Traditional Boundaries

Finally, an increasing emphasis on internal talent mobility means an employee hired in one role may soon find a new one. In many cases, candidates themselves are leading this shift.

Our 2021 candidate survey shows that not only are many candidates changing roles, functions and industries, but they are also changing their learning behavior: Fifty-eight percent had taken courses in person or online to learn new skills outside their current roles.<sup>3</sup>

Organizations and HR leaders are also playing a role in this trend, especially in the face of pandemic-induced talent and business disruptions. A June 2020 poll of HR leaders found 75% were redeploying or considering redeploying staff as a result of COVID-19-induced disruption.<sup>4</sup> However, this is not just a short-term trend that will cease when the pandemic ends; it is also part of a talent and culture development strategy. Sixty-five percent of HR leaders in 2020 expressed a desire to increase internal hiring.<sup>5</sup>

In light of this trend, potential to perform across a variety of roles has become a more critical measure of quality of hire.

## Toward a New Definition

Given these talent realities, continuing to place such a strong emphasis on hiring manager satisfaction and role-based skills is short-sighted at best and harmful at worst. We propose the following redefinition of “quality of hire.”

**Quality of Hire:** A measure of the caliber of new talent an organization hires, defined by their potential to contribute to the organization's goals.

To measure quality of hire according to this definition, the emphasis must shift from hiring manager satisfaction to the organization's perspective, and from specific, role-based skills to cross-role potential (see Figure 5).

Recruiting leaders must then refine how they put this definition into practice. This requires three shifts in their approach to measuring quality:

- Who you ask
- What you ask
- When you ask

## Who You Ask: Getting a Broader View

Deemphasizing hiring manager opinion as the sole measure of quality does not mean cutting them out of the picture. It means expanding beyond the hiring manager (who may or may not have full visibility into the role). Individuals in supervisory roles are not the only sources of information, nor are the hiring managers the only individuals in supervisory roles. Depending on the role in question, quality can be measured with 360-degree feedback from those below, above, and/or at the same level as the employee. This can help mitigate the hiring manager's bias while also providing deeper insight, ultimately

resulting in a more accurate measurement. Consider the following roles:

- More senior: Managers (including hiring manager), leadership, more senior teammates
- Same level: Direct peers, project partners, adjacent teammates
- More junior: Direct reports, mentees, more junior teammates

Recruiting leaders may choose to ask the same questions to a varying set of stakeholders to compare answers, or use each stakeholder group to assess something different. For example, you may choose to use questions around future skills preparedness, or seek opinions about collaboration effectiveness, upward management, or consistency and quality of coaching.

## What You Ask: Measuring Skills Preparedness

Opinions on candidate performance do matter for quality-of-hire assessment, but it is important to use more objective assessment questions than, "How satisfied are you?" or "Would you hire this person again?" While no measure will be perfectly objective, recruiting leaders and hiring managers should aim for more consistent questions on observable characteristics and behaviors. Refining these questions is critical to creating a more valid, consistent and fair measure of quality that can be measured and tracked year over year.

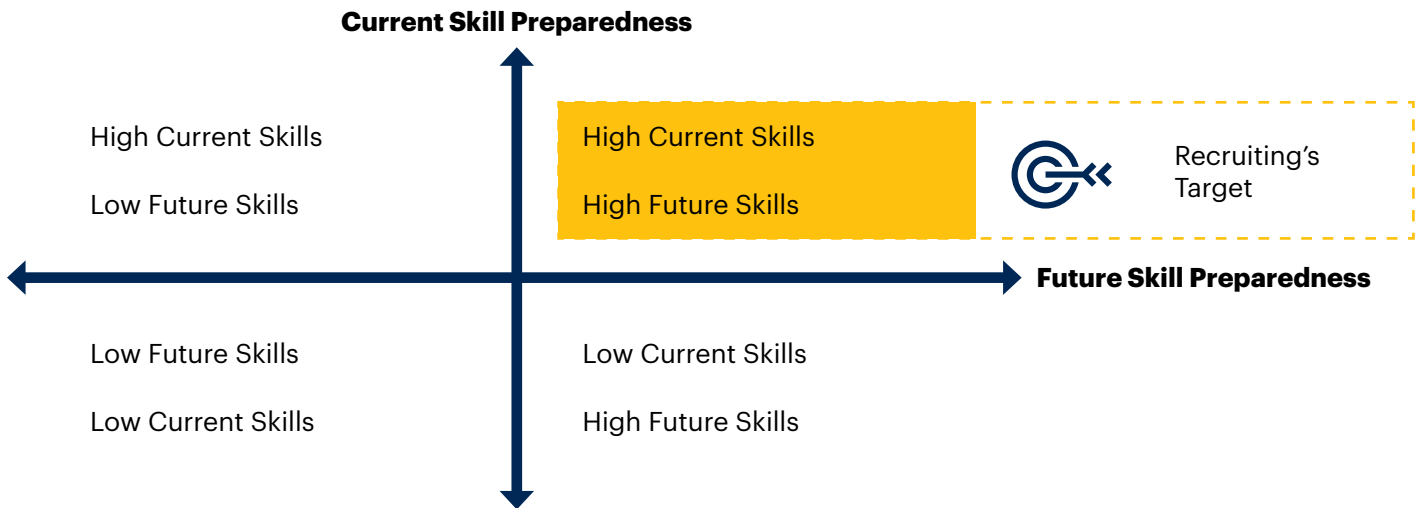
To capture this information, recruiting leaders can use a metric we use in our own research: skills preparedness.

**Figure 5. Shifting Emphasis of Quality of Hire**



Source: Gartner

**Figure 6. Calculating Quality of Hire by Assessing Current and Future Skills Preparedness**



Source: Gartner

## How to Measure Skills Preparedness

Skills preparedness measures the extent to which an employee has the skills needed for both their current role in the organization and their future career. To determine where candidates fall on this matrix, consider the following qualities and customize them to your organizational context as needed (see Figure 6):

### Current Skills

- The employee has the skills they need for their current job.
- The employee can quickly apply the skills they have learned.
- The employee can teach their skills to other employees.

### Future Skills

- The employee has the skills they will need for their job three years from now.
- The employee could easily be hired for a comparable job at a different organization.
- The employee could easily be hired for a comparable job at a different business unit within our organization.
- The employee could easily be hired for a job very different from their current job within our organization.

## When You Ask: Timing the Assessment

Assess quality of hire after the full scope of onboarding has been completed and the new hire has had a chance to demonstrate their performance.

Too often, posthire surveys to assess quality of hire happen too early and fail to account for the true length of the onboarding process. The right timing of quality-of-hire assessments will vary by role, as each role has a different learning curve. Measuring too early (at the beginning or middle of the learning curve) will lead to an invalid assessment of quality. Consider elongating your measurement time frame, or otherwise asking individuals familiar with the role to define the length of the learning curve.

## A Call to Action

Measuring concepts like “quality” will never be a perfect science; what matters most is that organizations refine their approach — and for many, these changes will be long overdue. Fortunately, recruiting leaders are well positioned to lead this charge.

Start small: Begin by setting expectations with your team on a new definition or concept of “quality of hire” by deemphasizing the current role and hiring manager opinion and emphasizing cross-role potential. Then, recalibrate how you measure quality of hire

by gathering more objective inputs from more people when the employee has had time to get up to speed in their role.

*Does your organization have a unique way to measure quality of hire? We want to hear from you. Contact your account manager to connect with our research team.*

- <sup>1</sup> In a 2020 Gartner survey, an overwhelming majority of heads of talent management indicated their organization would change skills or competency requirements (90%), add new roles (83%), and eliminate others (79%) in the next two to three years. Source: 2020 Gartner Employee Experience and Talent Mobility Benchmarking Survey (n = 81 HR leaders).
- <sup>2</sup> 2021 Gartner Hiring Manager Survey (n = 3,510 hiring managers)
- <sup>3</sup> 2021 Gartner Candidate Survey (n = 3,000 candidates)
- <sup>4</sup> 2020 Gartner Coronavirus Polling on Talent Strategy and Budget Shifts (4 June 2020) (n = 99 HR leaders)
- <sup>5</sup> 2020 Gartner Employee Experience and Talent Mobility Benchmarking Survey (n = 80 HR leaders)

