

QUALITY OF HIRE

THE CROSSCHQ
Q REPORT

Connecting Hiring Data with Business Outcomes
to Drive Actionable Talent Intelligence



ELEVATE YOUR HIRING GAME

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QUALITY OF HIRE

THE CROSSCHQ Q REPORT

Quality of Hire (QoH) has historically been one of the most elusive business concepts for talent teams to standardize and measure. Due to complex and fragmented data systems that are siloed and lack critical inputs, most companies struggle to reliably connect pre-hire candidate intelligence directly with quantifiable post-hire business outcomes.

Through Crosschq's Talent Intelligence Cloud™ we have finally solved this problem. By connecting millions of data points from dozens of sources and enriching that data with advanced surveys, we enable companies to connect the dots and get on-demand, actionable insights that are based on hiring outcomes. To date, we have touched over 24 million hiring decisions enabling our machine learning (ML) and artificial intelligence (AI) to get smarter and ultimately more predictive. The result is the industry's most powerful recruiting analytics platform that is based on business outcomes.

Once activated by an organization, the Crosschq platform not only helps optimize core recruiting programs but ultimately establishes a framework for making Quality of Hire a reliable North Star Metric (NSM) for the entire talent team.

In this report, our industry experts and data scientists have highlighted five radical insights from our outcome data. We cover a range of topics from sourcing, interviewing, and assessments and hope that our findings are thought-provoking. Our goal is to share our unique perspective to help inform the industry about the importance of establishing a modern outcome-based approach to recruiting analytics.

MEET THE CROSSCHQ DATA LABS TEAM



Chris Drake
Head of Data



Joshua Ruf
Lead Data Scientist



Andrés Nazarían
Data Scientist



Jake Paul
Co-Founder +
Chief Product Officer

“Organizational stakeholders are asking for more ‘on-demand’ data insights, pushing people teams to find scalable solutions to keep up with growing demand.”

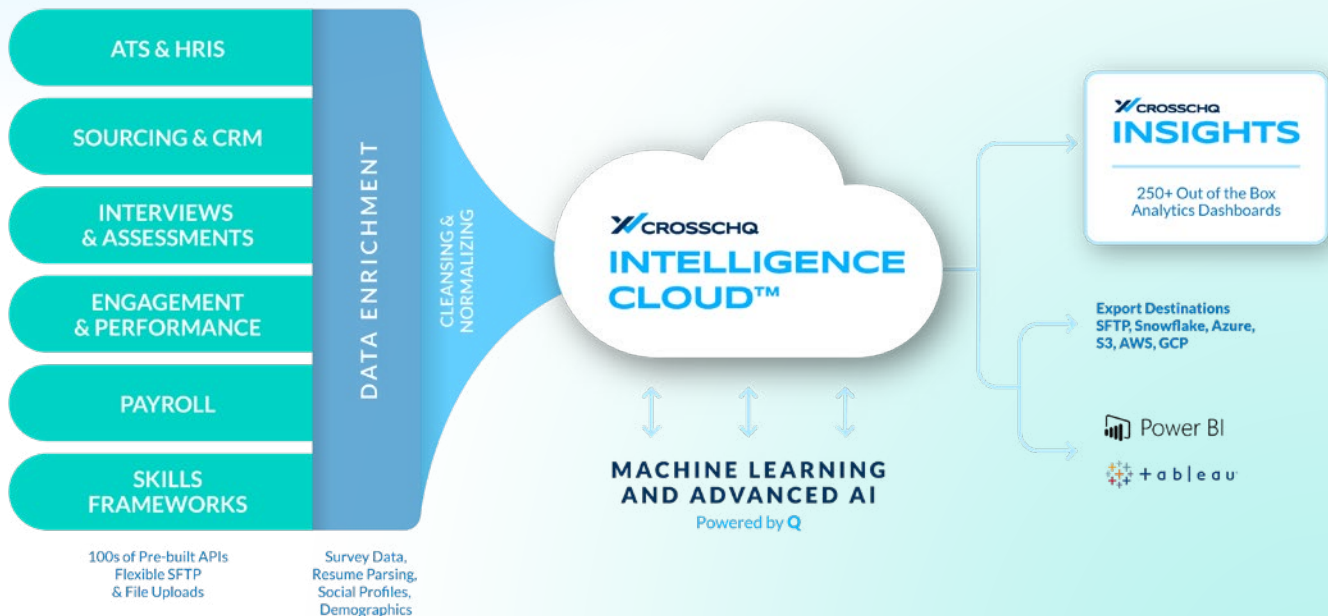
Amber West
IO Psychologist

THE CROSSCHQ PROPRIETARY METHODOLOGY FOR MEASURING AND PREDICTING QUALITY OF HIRE

Crosschq has built a platform that gathers and analyzes hundreds of millions of data points and uses machine learning (ML) and artificial intelligence (AI) to measure and predict Quality of Hire.

By consolidating data from HRIS and ATS systems, payroll and benefits platforms, assessment and interview tools, and more, and joining it with outcome data from performance management systems, culture and engagement platforms, sales managements tools, and others, we build and analyze employee profiles that span the entirety of their lifecycle, from a person’s first interaction with a company as a candidate all the way through their exit interview. These profiles are then enhanced with our proprietary data, which has been collected from co-worker, manager, and peer surveys, employee experience measurements, engagement data, and more, plus third-party data sourced from social media, networking, and market inputs.

This data set gives us the ingredients to effectively and efficiently measure, analyze, predict, and improve Quality of Hire.



5 RADICAL INSIGHTS FROM OUR QUALITY OF HIRE DATA

01 THERE ARE MANY SOURCES OF TOP TALENT—INTERNAL REFERRALS MAY NOT BE ONE OF THEM

Internal Referrals have a Quality of Hire 26% below the mean.

Many companies believe that internal referrals are one of their highest performing sources of candidates. Although this can be true, **Crosschq Data Labs observed that Quality of Hire for internal referrals was 26% below the mean.**

There are a number of contributing factors. Some hiring teams typically demonstrate less scrutiny in the selection process when evaluating an internal referral than they do when evaluating an outside applicant. There are also other considerations around economic incentives for the “referrer” that can have an impact.

Recruiter and agency-sourced employees typically had above average Quality of Hire scores, while job boards and social media usually had Quality of Hire scores below the mean. Not all candidate sources will consistently bring in high-quality talent, and some sources can be expensive. Every company is different, and internal referrals may be an advantage for some. However, it is important to measure all candidate sources with outcome data, as incentivizing a program that consistently brings in lower quality new hires is not in a recruiting team’s best interest.

Outcome-based analytics mitigates bias, such as referral bias, allowing organizations to make evidence-based decisions.

Amber West | IO Psychologist

Conclusion:

It is imperative to evaluate all candidate sources with evidence-based outcome data, including and especially Quality of Hire lens. Consider investing the resources typically allocated to lesser performing channels into other, higher-quality channels.

02

THERE'S A MAJOR DISPARITY BETWEEN COMPANIES THAT GET QUALITY OF HIRE RIGHT AND THOSE THAT DON'T

The Average Quality of Hire is 73.0 (out of 100)

Crosschq Data Labs' research shows that the average Quality of Hire (using performance and retention as the inputs) for all companies measured was 73.0 with the upper decile exceeding 81.4 and the lower decile coming in at 58.9. Top performing companies act with intentionality around Quality of Hire. They have fundamentally moved past historical Talent Acquisition KPIs and focus on evidence-based outcomes and Quality of Hire as a North Star.

What's important with an organization's unique Quality of Hire measurement isn't necessarily how it stacks up against the competition. What is important is that the organization sets a baseline Quality of Hire, continually measures it, and improves it over time by identifying the areas of strength, weakness, and opportunity in their hiring processes, as well as their onboarding, development, and retention programs.

Quality of Hire measurement and optimization is not a study. It needs to be an ongoing, on-demand set of analysis that are constantly mined for actionable insights. The organizations that invest in Quality of Hire measurement and leverage it as a recruiting KPI will focus recruiting teams on hiring to target specific business outcomes, not fill seats quickly and cheaply.



Quality is defined uniquely by a company. The most important thing is to set a baseline, so you know what needs to improve over time.

Chris Drake | Head of Data

COMPANIES BY QUALITY OF HIRE DECILE



Conclusion:

Top performing companies are able to set Quality of Hire as a North Star, which leads to better business outcomes.

03

SOME POPULAR PRE-HIRE CANDIDATE ASSESSMENTS HAVE AN INVERSE CORRELATION TO QUALITY OF HIRE**6 out of 10 assessments analyzed were not predictors of Quality of Hire.**

Not all [pre-hire assessments](#) show a strong correlation to increased Quality of Hire. In fact, **Crosschq Data Labs'** findings reveal that certain types of pre-hire assessments actually have an inverse correlation to Quality of Hire, meaning they are not predictive of candidate success (the higher a candidate scored pre-hire, the worse they performed in their role post-hire).

With one particular cognitive assessment that has been in use for decades, we found that **92% of candidates that scored in the top decile of the assessment had a Quality of Hire in the lowest decile.**

Certain pre-hire assessments have proven to be more predictive of success. Role-specific assessments such as technical assessments for engineers or mock-sales pitches for account executives have shown high correlations between those scores and Quality of Hire. Generally personality tests and assessments that vet culture fit have also shown predictability.

It is paramount to assess the assessments. Not only are many candidate assessments not predictive, but they also can negatively affect candidate NPS and also increase time to hire. Don't waste time and money on pricey assessments that add noise to an already complex hiring program.

Conclusion:

It is critical to use evidence-based analysis when evaluating what assessment tools are best for your company. Different roles may require a different set of assessments.

04 MOST INTERVIEWERS ARE NOT VERY GOOD AT IDENTIFYING TOP TALENT

Interviews show only a 9% correlation rate to Quality of Hire.

Interviewing is weighted heavily in hiring decisions, but it may not be the best way to predict post-hire performance or fit. **Crosschq Data Labs'** research currently shows only a 9% correlation rate of interview scores to Quality of Hire.

Interestingly, the research revealed that most interviewers are not skilled or experienced at the task; **76% of interviewers only conduct one interview per year, and 87% of interviewers conduct less than three interviews per year.** When looking at the few interviewers who did 12 interviews per year or more, there was a greater correlation between higher interview scores and higher post-hire performance evaluations.

The ability to assess and identify talent is a skill that requires practice, development, and training. Developing and training interviewers should be a priority to achieve talent acquisition goals.

Understanding what's not working when it comes to interviewing is critical. A recent meta-analysis conducted by researchers at University of Minnesota and Indiana University found structured interviewing to be the best selection procedure, above any pre-hire assessment.

Amber West | IO Psychologist

Conclusion:

Interview scores are generally not very predictive of post-hire success; however, interviewers that have conducted a higher number of interviews are typically more reliable. Use evidence-based analysis to identify those that are best at identifying talent and build interview teams around them.

05

COMPANIES NOT USING PERFORMANCE DATA ARE LETTING GREATER QUALITY OF HIRE EMPLOYEES GO DURING WORKFORCE OPTIMIZATION

Involuntarily terminated employees had a 15% greater Quality of Hire than retained employees.

The data reveals that while going through Reductions in Force / Layoffs and selecting employees to dismiss, companies could (and do) lose some of their top potential performers.

We have seen cases where the Quality of Hire of employees terminated was 15% higher than those retained. Termination and retention decisions directly impact the likelihood of producing the business outcomes desired.

Using the wrong methods or metrics to determine who to let go can result in the exit of key performers from your organization. Tenure bias and a “Last In- First Out” mentality are significant - but often wrong - contributors to such decisions.

“60% of the cost of turnover is lost productivity, organizations can’t afford to make subjective decisions when it comes to a reduction in force.”

Amber West | IO Psychologist

Conclusion:

Use post-hire Quality of Hire data to review performance history, engagement metrics, and assess culture add before downsizing to avoid losing employees that contribute most to organizational performance.

Quality of Hire measures a recruiting team's impact on business outcomes. We do the hard work of quantifying Quality of Hire so our customers can spend more time optimizing their hiring programs to achieve the organization's desired outcomes.

Chris Drake | Head of Data

ESTABLISH
QUALITY OF HIRE AS A
CORPORATE KPI

Increase Quality of Hire 34%

Finally we can easily measure Quality of Hire and operationalize around the metric. This has been a black hole for way too long."



Tie sourcing, interviewing & hiring decisions to employee retention & performance

Establish Your QoH Baseline

Consistently measure Quality of Hire, and see where you stack up against industry benchmarks.

Uncover Areas of Opportunity

Filter & segment to quickly see if Quality of Hire varies by department, hiring manager, recruiter, office and more.

Predict the Perfect Candidate Fit

Ensure pre-hire assessments yield top performers by linking pre-hire data, like skills & values, to post-hire success for each role.

How Crosschq Can Help Improve Your Quality of Hire

Crosschq is powering a revolution in data-driven hiring and people analytics to help companies better recruit and retain talent. Crosschq's Talent Intelligence Cloud™ provides solutions across the new hire lifecycle to help enhance sourcing, screening, and onboarding new hires while providing a single source of truth for customers to accurately measure Quality of Hire.

The company's AI-driven cloud-based SaaS solutions were built with a talent-first approach, prioritizing trust and transparency, minimizing bias, and protecting privacy. Leading innovative companies like Snowflake, HubSpot, Glassdoor, Upwork, Saks Fifth Avenue, NBA, Roku and DISH trust Crosschq to help build diverse winning teams.

Founded in 2018, Crosschq is backed by Tiger Global Management, GGV Capital, Bessemer Venture Partners, Salesforce/Slack, SAP, Okta Ventures, and Rocketship.vc.



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