Hiring Metrics

ZenHire

Contents

Introduction

Welcome to our comprehensive guide on "Hiring Metrics for BPOs and Call Centers." In today's ever-changing job landscape, effective recruitment strategies are pivotal. This guide is designed to empower professionals in the BPO and call center industry with valuable insights into essential hiring metrics.

Within these pages, we'll explore eight key hiring metrics tailored to the specific needs of BPOs and call centers. You'll gain a deep understanding of why these metrics matter and how they can enhance your recruitment processes. We'll provide you with practical advice on how to measure these metrics accurately, strategies for improvement, and even offer formulas for precise calculations.

As you embark on this journey, you'll discover the power of data-driven hiring decisions and how these metrics can be transformative for your organization. It's about equipping you to excel in the competitive world of BPOs and call centers.

By the time you finish this guide, you'll possess actionable knowledge that transcends any specific solution or service. It's about elevating your understanding of data-driven decision-making in recruitment and enhancing your organization's ability to thrive in the dynamic world of BPOs and call centers.

Time to Hire (TTH)

● What is TTH and why it's important:

"Time to hire" measures the average total number of days taken to hire for a position. This metric matters because when jobs stay unfilled for too long, it can strain the business by lowering how much work gets done, making customers less happy, and reducing earnings. If a candidate gets hired in 2 weeks instead of 6 weeks, that's 1 extra month of revenue for that year. In our simplistic scenario, this means better TTH can impact revenue increase for a specific client by up to 8%.

Moreover, a shorter TTH signifies faster recruitment processes, reducing the risk of losing top talent to competitors. This still holds true as most applicants use the "Spray and pray" method to apply to numerous potential employers during their job search to maximize their chances of success. In fact, studies have shown that there is a strong correlation between shorter time to hire and higher offer acceptance rate.

● How do I measure it?

Calculate how many days pass on the calendar from the moment a job request is made to when a candidate officially accepts the offer.

● How do I measure it?

By doing this for all your internal and external hires over a specific period, you can figure out the average time it takes to fill a position. The time to fill can vary based on the job's level and type, but the average duration is 36 days."

$$\text{Averate TTH} = \frac{\sum_{i=1}^{N} \text{TTH for Candidate i}}{N}$$

*N – the number of applicants for this position

● How do I improve it?

Streamline Your Hiring Process: Map out your hiring process using tools like Miro.com and quantify time and effort at each step. Identify bottlenecks and eliminate unnecessary steps to expedite decision-making.

Optimize Communication: Ensure seamless communication among hiring stakeholders to reduce delays.

Implement Automation Technology: Leverage applicant tracking systems and AI tools for automated candidate screening and scheduling.

Quality-of-Hire (QoH)

● What is QoH and why it's important:

Quality-of-Hire (QoH) assesses how effectively your hiring process identifies candidates who are likely to become top performers and align with your organization's culture and values. A higher QoH indicates better overall hiring success.

Although the real measurement of the quality-of-hire occurs after the hiring process through metrics such as Resolution rate, NPS, Time to Answer, CSAT scores and others, studies show that scientifically designed psychometric and skill assessments can predict, with significant accuracy, which candidates are most likely to become top performers. In other words, if done right, rigorous candidate selection can lead to increased QoH.

● How do I measure it?

QoH combines factors such as Performance Appraisal Scores, Cultural Fit Scores, and Retention Rates.

● How do I improve it?

Implement scientific selection criteria: Studies show that top predictors of on-the-job success for BPO/CCs are medium/high Intelligence, solid English language knowledge (fluency, accent and pronunciation), job specific skills (multitasking and typing speed) and adequate HEXACO Personality profile (High humility, Low neuroticism and High extraversion).

Operational Excellence: Implement incentive schemes where employees are stimulated to keep progressing towards their KPIs. Link compensation with achievement.

$$\textbf{QoH} = (\text{Performance\_Weight} \times \text{Performance Appraisal Score})$$
$$+ (\text{Retention\_Weight} \times \text{Retention Rate})$$
$$+ (\text{Cultural\_Weight} \times \text{Cultural Fit Score})$$

Cost-per-Hire (CPH)

What is CPH and why it's important:

Cost-per-Hire (CPH) measures the total expense an organization incurs to recruit a new staff member. Lowering this cost means optimizing your recruitment budget and obtaining a higher return on investment for each hire. A high CPH can signify inefficiencies in the hiring process or over-reliance on expensive recruiting methods.

How do I measure it?

Accumulate all internal and external costs associated with recruitment and divide by the total number of hires in a given period.

$$CPH = \frac{\text{Total Recruitment Costs}}{\text{Total Number of Hires}}$$

How do I improve it?

Digital Recruitment: Harness digital platforms and AI solutions to tap into broader talent pools cost-effectively.

Referral Programs: Leverage existing employees' networks to find suitable candidates without hefty external agency fees.

Optimized Job Descriptions: Clearly define job requirements and complement them with modern company videos to attract more relevant talent.

Optimize Marketing spend: Through BI & Analytics tools that track candidate sources you can double-down on channels that bring the best candidates.

Employee Turnover Rate

(within the probation period)

What is it and why it's important:

Employee Turnover Rate during probation measures how many new hires leave the company during their initial trial period. A high turnover rate during this phase may indicate misalignment between job expectations and reality or a poor onboarding process.

Feedback Loops: Regular check-ins with team lead during probation to address concerns and ensure alignment.

Accurate Job Descriptions: Ensure job adverts and descriptions match the actual role to manage candidate expectations. Include videos to better paint the picture.

How do I measure it?

Determine the percentage of new hires who leave the company during their probation period.

$$\text{Turnover Rate} = \frac{\text{No. of Employees Leaving During Probation}}{\text{Total New Hires}}$$

Consider measuring this also for 3-month, 6-months and 1-year periods which will yield further insight into your real Employee Turnover rates.

How do I improve it?

Enhanced Onboarding: Incorporate structured onboarding processes that familiarize new hires with the company culture and job expectations.

Offer Acceptance Rate

What is it and why it's important:

The Offer Acceptance Rate calculates the proportion of candidates who accept a job offer. A higher rate indicates competitive and attractive job propositions. A low rate may hint at issues like below-market salaries or benefits.

How do I measure it?

Track the percentage of accepted offers against the total offers made.

$$\text{Offer Acceptance Rate} = \frac{\text{No. of Accepted Offers}}{\text{Total Job Offers Made}}$$

How do I improve it?

Market Analysis: Regularly benchmark compensation packages against industry standards.

Engagement: Build and maintain rapport with candidates throughout the hiring process to understand their motivations and concerns.

Flexible Benefits: One-size-fits-all benefits mentality is from the 20th century. Offer customizable benefit packages or work arrangements that tailor better to those specific applicants. Use surveys to discover their motivations and update benefits accordingly.

Interview-to-Offer Ratio

What is it and why it's important:

This metric gauges the effectiveness of the interview process. A low ratio suggests that many interviews are conducted without extending an offer, which might indicate inefficiencies or misaligned candidate screening.

How do I measure it?

Calculate the percentage of interviews that result in job offers.

$$\text{I-to-O Ratio} = \frac{\text{No. of Job Offers Made}}{\text{Total No. of Interviews Done}}$$

How do I improve it?

Skillful Screening: Use AI and psycho-metric tools to better assess candidates before the interview.

Structured Interviews: Adopt consistent interview formats and questions to objectively evaluate candidates.

Feedback Integration: Regularly update criteria based on feedback from inter-viewers to refine the process.

Assessment Validity

What is it and why it's important:

Assessment Validity refers to how well a test or tool predicts a candidate's future job performance. If an assessment tool or process doesn't reliably correlate with an employee's subsequent performance, its validity is questionable, and it may be doing more harm than good in the selection process.

How do I measure it?

Correlate assessment scores (English, IQ, Personality, Skills etc.) with performance metrics of those hired such as Resolution Speed, NPS, Customer Satisfaction, Resolution rate etc. A high correlation indicates good validity.

$$\text{Corel. Coeff.} = \text{Assessment Scores} \, \nabla \, \text{Post-Hire Performance}$$

∇ – is a complex mathematical matrix operator for performing multivariate correlation analysis whose explanation goes outside the scope of this guide

How do I improve it?

Holistic Assessments: Incorporate multiple assessment tools that measure different facets of a candidate's ability. Best ones for call centres and BPOs are typing speed, 110-140 IQ on Cattell's scale, Hexaco personality (High humility, Low neuroticism, High extraversion), spoken English language assessment such as fluency, accent, pronunciation and vocabulary as measured easily with latest speech AI Recruiting technology.

BI & Analytics software: Use tools that measure performance pre and post hire and provide these correlation coefficients and improvement suggestions in automatic. Schedule a demo call with ZenHire to discover how.

Source Quality of Hire (SQH)

What is it and why it's important:

Source Quality of Hire tracks where your hires originate from, especially the great ones - whether job boards, referrals, direct applications, etc. By understanding the most effective sources, companies can allocate their recruiting budget more efficiently.

Data Analysis: Use analytics tools to understand which platforms yield the best ROI such as ZenHire.

Engagement: Regularly engage with top sources (like universities or industry groups) to maintain a steady talent flow.

How do I measure it?

Calculate the percentage of hires from each recruitment source.

$$\text{Source Percentage} = \frac{\text{No. of Hires from Source}}{\text{Total Hires}} \times 10$$
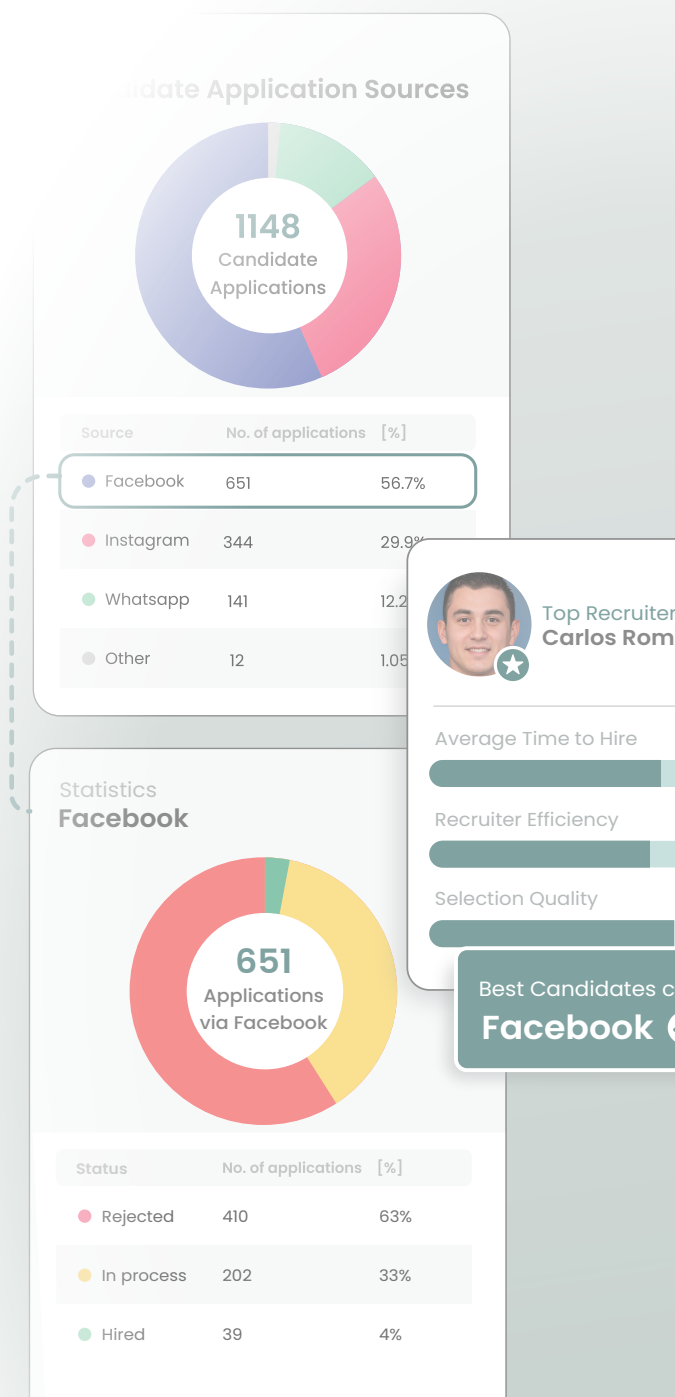
You can also calculate the total number of great hires from a source and benchmark that to your Source Percentage which will give you insight into which sources work best.

How do I improve it?

Diversify Sources: Test multiple recruitment channels to find the most effective ones.

Candidate Application Sources

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Candidate Applications

Source	No. of applications	[%]
Facebook	651	56.7%
Instagram	344	29.9%
Whatsapp	141	12.2
Other	12	1.05

Top Recruiter
Carlos Rom

Average Time to Hire

Recruiter Efficiency

Selection Quality

Best Candidates c
Facebook

Statistics
Facebook

651
Applications via Facebook

Status	No. of applications	[%]
Rejected	410	63%
In process	202	33%
Hired	39	4%

Candidate Experience Score

What is it and why it's important:

The Candidate Experience Score gauges how candidates perceive the hiring process. A positive experience can enhance an employer's brand and lead to higher offer acceptance rates. Conversely, a negative experience can deter top talent.

How do I measure it?

Conduct post-interview surveys or feedback forms. Calculate the average score given by candidates.

$$\text{Cand. XP Score} = \frac{\text{Total Feedback Scores}}{\text{No. of Feedback Entries}}$$

How do I improve it?

Transparent Process: Regularly communicate with candidates about the hiring process and timelines. This can be done easily via softwre that allows custom branding pages with explanations.

Feedback Loop: Act on the feedback given by candidates to improve their experience.

Automated Personalization: Use tools like ZenHire's Automatic and Personalized Video feedback to offer a unique touch in the recruitment process.

Application Drop-off Rate

What is it and why it's important:

The Application Drop-off Rate indicates the percentage of candidates who start but don't complete the application process. A high drop-off rate may signal a complicated or off-putting application system.

Mobile Optimization: Ensure the application platform is mobile-responsive since many candidates apply using mobile devices.

How do I measure it?

Calculate the percentage of candidates who don't finish the application.

$$\text{Drop-off Rate} = \frac{\text{No. of Incomplete Applications}}{\text{Total Started Applications}} \times 10$$

How do I improve it?

Simplified Process: Streamline the application form to be user-friendly and intuitive.

Feedback Mechanisms: Allow candidates to provide feedback on the application process to identify pain points.

Candidate Net Promoter Score (cNPS)

What is it and why it's important:

cNPS measures a candidate's likelihood to recommend your company as a good place to work to others, whether they got the job or not. A positive cNPS indicates a strong employer brand, as it suggests that even candidates who weren't hired had a positive experience and view of the company.

How do I measure it?

After the interview process, candidates are asked a simple question: "On a scale of 0-10, how likely are you to recommend [Company Name] as a good place to work to a friend or colleague?" Those who respond with a score of 9-10 are considered "promoters", 7-8 are "passives", and 0-6 are "detractors." The cNPS is calculated as the percentage of promoters minus the percentage of detractors or in the following way:

$$\text{cNPS} = \frac{\text{No. of Promoters - No. of Detractors}}{\text{Total No. of Candidates that took the Survey}}$$

This number should be multiplied by 100 to get percentages. An average NPS is usually positive, good NPS goes above 30, and everything higher than 60 is considered phenomenal.

How do I improve it?

To improve cNPS, companies need to enhance the overall candidate experience. This includes clear communication, expectation management during assessment phase, respectful treatment, timely feedback, and ensuring that even rejected candidates have a positive impression of the company.

The use of personalized engagement tools, like automatic video feedback generation from ZenHire, can also play a vital role in creating a unique and memorable candidate experience even for rejected.

You can also A/B test Measure cNPS for several hundreds of applicants with your old hiring system and do the same with several hundreds of applicants that you filtered through your trial version of ZenHire. Then you can compare the before and after and measure I mprovements.
A strong cNPS not only boosts employer branding but can also lead to more quality referrals and a positive buzz in the job market.

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Book a Demo and see for yourself