Boomerangs: Our Exit Reason Value System

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Introduction:

It is estimated that by 2022, there will be over 80,000 more Computing Job requisitions opened per year than the number of Computer Science majors who will graduate during the same period of time. As the talent gap for computing jobs widens, it is incumbent upon HR professionals to innovate and develop more effective, efficient, and sustainable hiring practices. In fact, in 2014, it was calculated that only 0.2% of applicants landed a job at Google, a company with an insatiable demand for hiring. In 2014 Google received over 3 million applications, and hired just over 7,000 employees; only 1 in 428 applicants landed a job. Google isn't the only company which faces hiring challenges, Amazon, Apple, Microsoft, and all of the tech unicorns are facing much of the same problem. This is all to say that the talent gap is perhaps the most difficult challenge technology firms face today.

But what if there was a pool of talent which took 100th of the applicants, and ¼ of the interviews to get the same hiring results?

In my amalgamation of experiences as a Human Capital Consultant, I've found no better solution to the hiring efficiency problem than building and strengthening Boomerang hiring practices; hiring ex-employees. However, as effective as Boomerang hiring is, it comes with its challenges. And from my experiences, one of the biggest obstacles to hiring great ex-employees is the possibility of unconscious bias when evaluating them for rehire. So in this study, I wanted to explore one simple question which impacts every potential Boomerang:

To Which Extent Does The Reason For Leaving a Company Impact A Staffer's Disposition of Hiring Support in Boomerang Candidacy?

Methods

Procedure

This is a within/between-subjects experimental design. All participants responded to all conditions to ensure that we captured exit reason value (within-subjects). Furthermore, across participants, each profile will have been linked to each reason for leaving at exactly the same volume, and the order in which participants read the vignettes were randomized - (Between-Subjects).

Study Participants	Exp. Condition:	IMPACT	MONEY	PREVIOUS MGR	ILLNESS
1-10	Vignette Characters	James	Robert	Michael	John
11-20		John	James	Robert	Michael
21-30		Michael	John	James	Robert
31-40		Robert	Michael	John	James

Participants

Since this was a pilot, the questionnaire was sent to 198 Participants from my management network group on LinkedIn. Of those 198, 66 responded – and we received a final count of 49 respondents with complete data.

Stimulus

James Profile - Software Engineer (1 of 4)

James was a Software Engineer with Ex-Co. At the time of his exit, James was making a base salary of $125,000 per year, with a target yearly bonus of 15% of their salary, plus $50,000 per year in stock incentives. When James left, he had a total of 6 years of industry experience, and had been

Random Treatment - "Illness" (1 of 4)

Recently, James's father died from the illness. His work as an executor of his father's estate is largely complete, so James is ready to come back to work and wants to come back to Ex-Co.

Question 1: How Supportive Would You Be of Ex-Co Hiring This Employee?

Question 2: Now, imagine you were making a hiring decision for an open position on your team, and that position aligned with the candidate's skill set. How supportive would you be or rehiring this person for your team?

Measures

My independent variable is the reason for the person's initial departure. This was operationalized through four vignettes. Each Vignette had one of four different profiles which included candidate name, time with the company, and their compensation. Each Vignette also included one of four reasons for their initial departure (treatment). All participants read all vignettes, although I randomly varied whether a particular profile was matched with a particular reason for leaving (e.g., "James" was presented as having left to take care of an ill family member, "illness", as well as due to a dissatisfaction with a manager, compensation, and impact) which also rotated the order of presentation of the vignettes. The dependent variables are two-fold: (Question 1) Would you support Exco hiring?; and (Question 2) Would you hire this person onto your team? Those are both "repeated measures," which creates the 'time' variable is presented to you in the analysis and results section of this study.

We analyzed results for both questions separately, and we compared variability between both questions. The two measures were highly correlated with one another (r=.80-.90), except the illness questions were correlated at r=.36 because the variability in the means was so low.

Analysis & Results

Means Analysis (MANOVA) - Question 1

Legend: Impact, Compensation, Issue w/Manager, Illness

Impact: 3.65, Compensation: 3.9, Issue w/Manager: 3.94, Illness: 4.92

Y-axis: Support For Rehire
X-axis: Reason For Leaving

Question 1: How Supportive Would You Be of Ex-Co Hiring This Employee?

- [Figure 1 - Question 1] reports the four means for the question about hiring at Exco, presented across the reasons for leaving. I did a MANOVA on these means to test for variability. The omnibus test was highly significant (F = 35.72, p < .0001). Tests of differences across the four means showed that illness differed from the other three means. No other means differed from one another. In other words
- Rehire Support = Impact <Compensation< Diss. w/Manager<Illness

Means Analysis (MANOVA) - Question 2

Impact: 3.61, Compensation: 3.86, Issue w/Manager: 4.04, Illness: 4.92

Y-axis: Support For Rehire
X-axis: Reason For Leaving

Question 2: Now, imagine you were making a hiring decision for an open position on your team, and that position aligned with the candidate's skill set. How supportive would you be or rehiring this person for your team?

- [Figure 2 - Question 2] reports the four means for the question about hiring for your own company, should you have an open position which aligns with the candidate skill set, presented across the reasons for leaving. I performed a MANOVA on these means to test for variability. The omnibus test was highly significant (F = 53.54, p<.0001).
- Rehire Support = Impact <Compensation< Diss. w/Manager<Illness

Conclusions

Respondent Demographics:

- 84% of respondents make or are involved in hiring decisions
- 55% of them are managers
- 65% were male
- 67% were white
- 51% were between the ages of 25-34
- 37% were between the ages of 35-44

Respondent Demographics

Makes Hiring Decisions: 84%, Is Manager: 55%, Male: 65%, White: 67%, Age: 25-34: 51%, Age:35-44: 37%
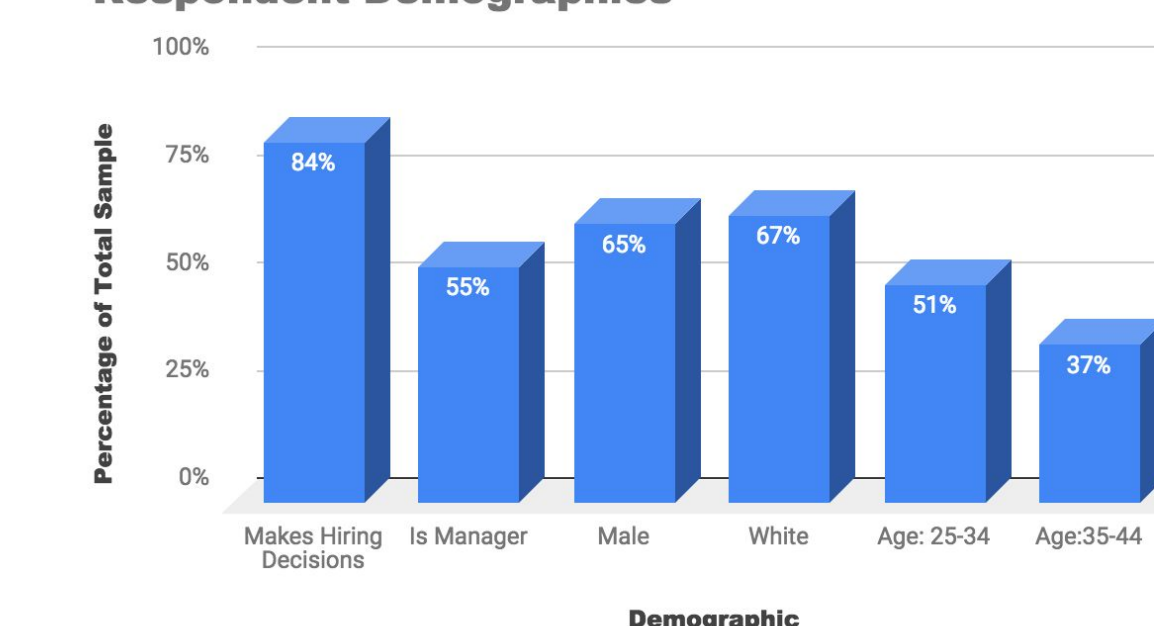
Final Insights

While this was a Pilot study, we were able to gain the insights on the following questions:

1. **In the study, did staffers who make or are involved hiring decisions have an "Exit Reason Value System" when evaluating candidates in potential rehire scenarios?**

   Yes. It is possible that staffers scrutinize candidates in rehire scenarios differently, based their reason for their initial departure. The results for both questions showed that the disposition for rehire support followed this pattern: Impact<Compensation<Issue w/Manager< Illness, with statistically significant results for at least one treatment.

2. **In the study, which reason for leaving had the highest impact on the disposition of staffer support to rehire an employee?**

   The results showed significant difference between the "illness" treatment against all other treatments for both questions, (Q1, Q2). In other words, people were significantly more likely be supportive of rehire in scenarios where the candidate left the company to care for an ill family member "illness".

3. **In this study - In accordance with Construal Level Theory, was there a significant difference between the level of support in rehire recommendations for the fictitious company, versus when respondents were asked if they would personally hire the candidate profiled onto their own team?**

   No. Question 1, and Question 2, were highly correlated and there were no significant differences. Perhaps there is a healthy amount of psychological distance in the case of both questions, or candidates didn't understand how both questions differed, among many other possibilities.

Future Research Opportunities:

In this study, we kept gender and race constant (only white males profiled) for simplification, and while we didn't analyze them, we did collect demographic information which is helpful in both describing the sample, and improving future research. In a future study, the researcher recommends profiling and measuring both gender and race as a variable, and further analyzing the results by demographic. The researcher also recommends having a more random and varied sample, as they used LinkedIn Management connections for the purpose of this pilot study.

Literature Cited

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Further Information

You can reach Juan De Amezaga at jpd837@gmail.com for more insights on the Pilot Study.You may also use the email address provided to contact me for Recruiting and Operations related consulting engagements.