

The Wrong Fit: What is the Real Cost of a Bad Hire?

When you hire a person that is not a good fit for your organization, it can end up being very costly on many levels. The higher up the chain of leadership you go, the more that number is going to be.

By some estimates, it can cost a company up to \$250,000 to recruit, onboard, and train a new hire. In addition, you have to consider the stress on management, the additional work that needs to be covered, the damage it does to a company's internal culture, and to the brand itself.

In the end, the cost of a bad hire goes well beyond dollars spent. Here's a sampling, to give you an idea:

- Recruitment fees
- HR staff payroll time
- Advertising fees
- Negative impact on productivity
- Incomplete projects
- Unhappy/dissatisfied customers
- Cost of interim/temp workers to fill the gap
- Negative brand image
- Potential litigation/legal fees

Do You Know What a Bad Hire Costs?

The truth is, most companies simply do not know how much a bad hire could cost them. If they did, they would undoubtedly take steps to avoid it.

That said, there are some common underlying reasons why it happens:

1) No Time, No Patience

You might be in too much of a rush to fill a position, and, as a result, you overlook some obvious red flags. According to some estimates, almost half of bad hires are made for this reason.

To combat this syndrome, choose the long game. Think about your hiring needs well into the future, and hire based on long-term business goals. Develop a hiring timeline that gives your HR team enough time to locate and choose an ideal candidate.

2) The Interviewer Doesn't Understand the Job Well Enough

If the interviewer is not familiar with both the technical and cultural sides of the position, he or she may fail to recognize gaps in essential experience or soft skills needed to be successful. However, if the interviewer knows what is expected of the new hire, they will know the right questions to ask and be able to tell the difference between an ideal response and one that is not-so-ideal.

3) The Importance of Behavioral Interviews

A good cultural fit is, arguably, just as important as having technical skills and experience. An employee who works well with the rest of the team and is willing to learn is preferable to one with great skills and a bad attitude.

Behavioral interviews help the interviewer to establish these baselines and determine whether the candidate will be an excellent cultural fit. Through this process, you will begin to get a better picture of how the candidate would perform under pressure.

4) Branding Disconnect

In some cases, a bad hire can be avoided by adequately conveying the company's mission, brand ideals, and its culture to the candidate. If you can accurately communicate or demonstrate your workplace culture, you will attract people who are already in tune with the company's ideals.

A stable, consistent on-boarding process will improve your hiring process by a significant margin.

Whether you're looking to hire for an entry-level staff member or c-level executive, the costs of a bad hire can add up faster than you ever may realize. Don't wait until it's too late and the money is out of the door, get in touch with Professional Alternatives to see how we can help you save thousands and deliver the best person for the job.