

Bad Hire Burdens

By Joe Mascia, NoblePlans

We have identified the 7 greatest consequences of a single bad hire.

1. Workflow impact – bad hires result in pain spread throughout the workforce in other staff having to perform extra work, and flat-out cover for the poor performer. This deflates morale, and hinders the quality, and quantity of everyone's performance and workflow.
2. Conflict impact – bad hires result in staff conflict, staff stress, morale deflation, supervisor stress and extra workload to put out interpersonal fires. The result is a more difficult atmosphere to work, difficulty in enjoying the work, and harder to retain your good workers> increasing turnover company-wide.
3. Micro-management impact – bad hires (poor performers/wrong fit workers) require close contact and attention from supervisors, looking over the worker's shoulder, lack of trust, and on-going, often unnecessary help. Good performers do not need to be tightly managed, period.
4. Mission impact – bad hires produce mission failures in quality of mission performance, at customer or points of service, the end product is weaker (i.e. the product doesn't work; the service is poorly or not performed). This hurts organizational reputation and company branding suffers within your industry.
5. Financial impact – bad hires cost money in training, recruitment costs, law suits and litigation, insurance (i.e. driver's with accidents, worker's compensation). Monster.com study reports it costs about 20% of an employees' salary to compensate for a hiring failure.
6. Time impact – bad hires produce on-going recruitment frustrations, training, front and back-office bog-down and frustration, and supervisor lost time. Kronos study reports 50% of new hires last less than 5-months, and 75% last less than 1-year, and the most frequent drop offs are between day-1 through day-14. Starting the process again and again = frustration and time drain. How much time is invested in a bad hire?
7. Strategic impact – bad hires create a problem conscious (reactive) environment instead of a success and solution driven (proactive) environment. We expend more energy and investment reacting to issues resulting from bad hires rather than delivering solutions, developing strategies for success, and equipping good people. Instead of the healthy and hungry worker receiving good investment, our investment is wasted on the poor worker demanding and draining resources. Maybe worst of all is that we miss the good hire or the right fit – they are often overlooked. Good candidates always have other options.

“Invest as much in making a hiring decision as you would if you were buying a \$1 million piece of equipment. Over a 15- to 20-year period, the cost of an average employee, including salary, benefits, and training, will be well in excess of that amount.” Gary Harpst, Six Disciplines for Excellence