

How a Bad Hire Can Hurt Your Business

What's worse – hiring the wrong person or not hiring anyone at all? Companies can become almost desperate to hire someone, but filling a position with a “warm body” can be worse than leaving the position vacant.

I once worked at a not-for-profit where a management position was vacant. The company was small, resources were limited, and they were having a very difficult time filling the position; they just couldn't find the right person. Finally a gentleman was hired, but he only stayed a few weeks. He had taken the job even though he hadn't really wanted it, and when another position came along, he took it. Ironically enough, he left right about the same time that his business cards arrived. It sounds funny, but it was a devastating situation.

Now, we've all contemplated settling for a position while we kept our eyes open for the one that we really want, but what impact does that have on the company? In this situation, the company spent time and resources on a search to fill the position, training and orientation, business cards and other supplies, salary, and work not completed – only to have to do it all again.

When this happens, it's difficult to go back to your original applicant pool. The finalists have been told that the position was filled, and they have likely taken another position or stayed where they already were. Realistically, I'm not sure that anyone would like to be called back and told that the first choice didn't work out – would they like to give it a try? The search had to be started over causing the company to incur the time and cost of another search, more work went undone, and more stress was placed on the staff.

In another instance, I worked for a company that needed to hire a secretary. I was particularly interested in getting this position filled, because that person was meant to support me as well as the Director. We interviewed and interviewed, but we just couldn't find the right person. No one clicked. No one “fit”. Finally, we settled. We hired someone that three of us interviewed late in the day at the end of the week. We were tired, and she did *okay* in the interview. We thought with a little guidance, she'd work out. Long story short, she did not work out. She was one of those hires that you deeply regret. We tried to help her, guide her, change her duties to better suit her skills, but nothing worked. She wasn't capable of keeping up with the work load. She spent a lot of time on the phone or on email, and she tended to mess up the things that she did do.

She actually took up more staff time than her duties would have if we had just left the position vacant. This situation is easy to relate to. We've all seen those people. We've even wondered how they got hired, well, this is how. We settled on someone we thought would work out with time. We went against our better judgment, and it's a mistake that I would never make again.

The cost of hiring can include recruiting (if necessary), orientation and training, and the time and resources used throughout the hiring process. When the person hired turns out

to be the wrong person, you also have to include the time and work that is either not completed or done wrong, the damage to employee morale and customer loyalty, and the cost to replace the bad hire. Some of these costs are quantifiable, and some are not. I assure you that the measurable costs add up, but most of the time, it's the harder to measure costs that take the most toll on the company.

So, how can you keep this from happening to your business? Here are five suggestions:

1. Work on increasing your retention rates. Once you've got good employees keep them! Make sure that your wages and benefits are competitive, but even more, make sure that you provide a good working environment. Find out what your employees really need or want and help them get it.
2. Know what you're looking for. Know what you want in your new employee. Examine an existing job description or create a new job description, if necessary. Have a good idea of the position's duties and responsibilities so that you can find someone with the right skills, knowledge, and experience.
3. Scan resumes or applications thoroughly. Some candidates do exaggerate or lie on their resumes. If you don't already do so, ask candidates to complete an application on which their signature confirms the information is correct. Also get written permission to perform a background check or verify portions of their work history, education, etc.
4. Don't settle when choosing a new employee. Use an interview process that allows you to make informed decisions, and don't allow yourself to be pressured into choosing a "warm body". Your interview questions should be uniform and administered the same way to each candidate. Conduct interviews when you are at your best, not at the end of the day at the end of a long week. Also, be ready to dedicate time to the process.
5. Be honest about the job requirements. If there are undesirable parts of the position that you are trying to fill, be honest about it! Hiring someone who has an unrealistic picture of what their job is going to entail will only end in disaster. Let them know that they'll be traveling 75% of the time, or that their duties include cleaning the bathrooms once a day. A well informed new employee is a happier new employee.

Each of these suggestions could be made into an article of their own, but for the purposes of this article, I wanted to briefly discuss some possibilities. The bottom line is that a poor hire can be an extreme hardship on your business, especially if you are a small business owner and rely that much more on your small workforce. Remember that human resources are just that – a valuable business resource. Your employees can make or break your business, so take the time and steps required to build a great staff!

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