

the cost of a bad hire

Adding resources to your team can help offset an increased workload or compensate for turnover. But what happens when a new hire doesn't work out?

When considering the loss of productivity, impact on employee morale and service levels, potential compliance issues and the resources you will need to find, hire and train a replacement — the cost of a bad hire quickly adds up.

what makes a bad hire?¹

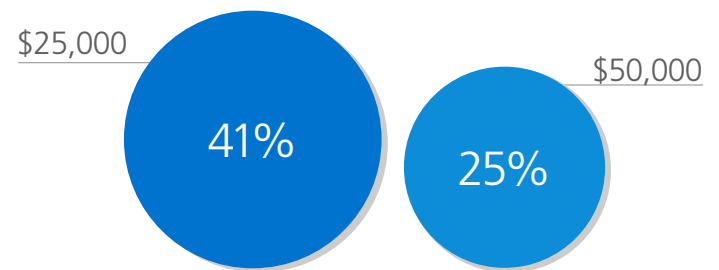
1. Low quality of work.
2. Failure to work well with others.
3. Negative attitude.
4. Problems with attendance.

why employers feel they made a bad hire:¹

1. They needed to hire someone quickly.
2. It just didn't work out.
3. Did not test or verify an employee's skills well enough.
4. Inadequate reference checks.

what does this cost look like?

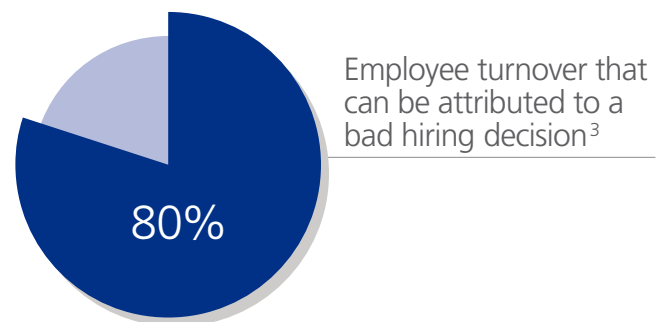
U.S. employers surveyed indicate the financial impact of a bad hire¹:



what contributes to this cost?

Separation costs include severance pay, unemployment insurance claims and continued benefits – as well as time spent conducting exit interviews and closing out payroll and benefits.

Replacement costs include time and money associated with sourcing, interviewing, hiring and training a new hire. On average, it costs one-third of an employee's salary to replace them.²



With this in mind, it's easy to see why finding the right candidate is not only an important task, but also an investment in your organization's future success and profitability. When you're ready to take the next step in finding a perfect match for your team, give us a call.

1. 2013 CareerBuilder Survey

2. Society for Human Resources Management

3. Harvard Business Review