

Staff Development Services

building strong businesses one employee at a time.

One Bad Hire -- The unseen cost of bad hires.

If you missed, or would like to review, the thirteen articles on the 13 character traits used in the survey click on the newsletter of your choice. These newsletters cover [Emotional Energy](#) (18), [Stress](#) (19), [Self-Esteem](#) (20), [Optimism](#) (21), [Work](#) (22), [Detail](#) (23), [Change](#) (24), [Courage](#) (25), [Direction](#) (26), [Assertiveness](#) (27), [Tolerance](#) (28), [Consideration](#) (29) and [Sociability](#) (30).

Happy New Year!

When reflecting about the past year, I realize that I have a lot to be thankful for, including a healthy and growing family as well as the opportunity to work with wonderful people all across the United States and Canada. And, when looking forward to 2014, I resolve to work on becoming a better person and better at helping businesses find the right people and people to find the right jobs.

Taking risks is something that a business owner has to be willing to do. But, mitigating risks is something that a smart business owner tries to do. Hiring the right people is, perhaps, the most important aspect of growing a successful company, but hiring can be a 'risky business'.

Most companies use the three basic steps for hiring—conducting an interview with the job applicant, reviewing the job applicant's references, and assessing the job applicant's resume. But, while all of these steps should be considered, they all are flawed.

Job interviews are often squeezed somewhere into the interviewer's busy day. And, the interviewer may have quickly thrown together a few questions. But, the world is full of actors and the interviewing room is the perfect stage for a job applicant to put on his/her 'stage face'. It takes skill and a lot of effort to be able to ask the right questions and to listen for the right words in order to see the true person sitting on the other side of the table. Most interviewers make a decision on whether they like or dislike a candidate within the first few minutes of an interview. If they decide in favor of the candidate, then it is almost impossible for that person to damage their chances of getting a job.

Some companies use some unusual techniques to hire which have often left me 'scratching my head'. For example, they present a brainteaser to a potential hire, such as "how many golf balls can you fit into a 747" or "how many gas stations are in Manhattan?" I have never been able to figure out what that could tell an interviewer about a candidate's ability to do a job, unless the job was to pack a 747 full of golf balls.

And, it is often hard for someone to give a bad reference to an employee who has been terminated. Who wants to give a bad reference to a really nice person who, for whatever reason, was not a good fit for the job. Even an impressive resume is not a clear indication of whether someone can meet a potential employer's needs or fit into the environment. Google has done a lot of data crunching in an attempt to be more successful at hiring. And, apparently, all this data crunching has revealed that things like GPA's, transcripts, and test scores were found to be worthless with no correlation to a person's success.

Successful companies try to 'think outside of the box' when hiring. Southwest Airlines has used a somewhat unorthodox approach to the traditional interview. Unbeknownst to the potential hire, his/her interview started the minute they picked up their ticket to fly to their job interview and did not end until they returned home. They may let down their guard and show their true character when dealing with a ticket agent but then put on their 'stage face' when they enter the interview room not knowing that information would be gathered from every employee the interviewee interacted with during his/her journey.

Unfortunately, not everyone has the same resources as an airline does. However, the Simmons Personal Survey is available to any employer who wants to determine a potential applicant's true character before a hiring decision is made. And, a smart employer needs to develop the best possible hiring protocol to avoid hiring mistakes.

Many employers don't realize the cost of a bad hire and employee turnover. In the past, I have seen numbers indicating that a bad hire could cost 3 to 5 times the person's annual salary, but the website ZipRecruiter.com has done a study that indicates it can be seven times the cost of an employee's annual package. Consider this. An employee making \$50,000 a year could cost an employer well over a quarter million dollars (**that's \$250,000+!**), but it could be even worse if that employee filed a negligent hiring lawsuit. The study found that the average settlement for negligent hiring is nearly **\$1,000,000** and there have been verdicts running up to **\$40,000,000**. The last statistic related to negligent hiring cases is probably the biggest reason why any organization should try to avoid bad hires at all cost--**employers lose more than 79% of these cases.**

It is becoming increasingly easier to make a bad hire because people will do or say what it takes to get a job. Most people are not bad but, instead, are driven to do what it takes to survive. Many often feel that, if they can get a job, they could be a valued employee but, in the wrong job, their character weaknesses will get in their way of success.

So, here's to helping companies finding the right people and to helping people find the right jobs!!

Again, to view the previous newsletters please [click here](#).

Health and Happiness!

John
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