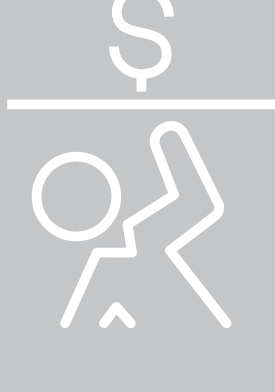# The Staggering
COST OF A BAD HIRE
and How to Avoid One.

Your company is growing rapidly, and you're looking to fill the gaps a quickly as possible. However, putting the wrong people in your open positions could ultimately end up costing your company even more. Thanks to A survey published by Careerbuilder, we learn just how much bad hires cost companies.

The True Costs.

Percent of respondents

41% of companies surveyed say that a bad hire in the last year has cost them **at least $25,000.**

25% of companies surveyed say that a bad hire in the last year has cost them **at least $50,000.**

The cost goes beyond just financial impacts. The following are the direct and indirect ways companies say they've paid for hiring the wrong employee.

Percent of respondents

41%	lost worker productivity.
40%	lost time due to recruiting and training another worker.
37%	expense recruiting and training another worker.
36%	negative impact on employee morale.
22%	negative impact on client solutions.

Why Do Companies Hire Bad Employees?

Percent of respondents

According to the Careerbuilders survey, companies hired bad employees because:

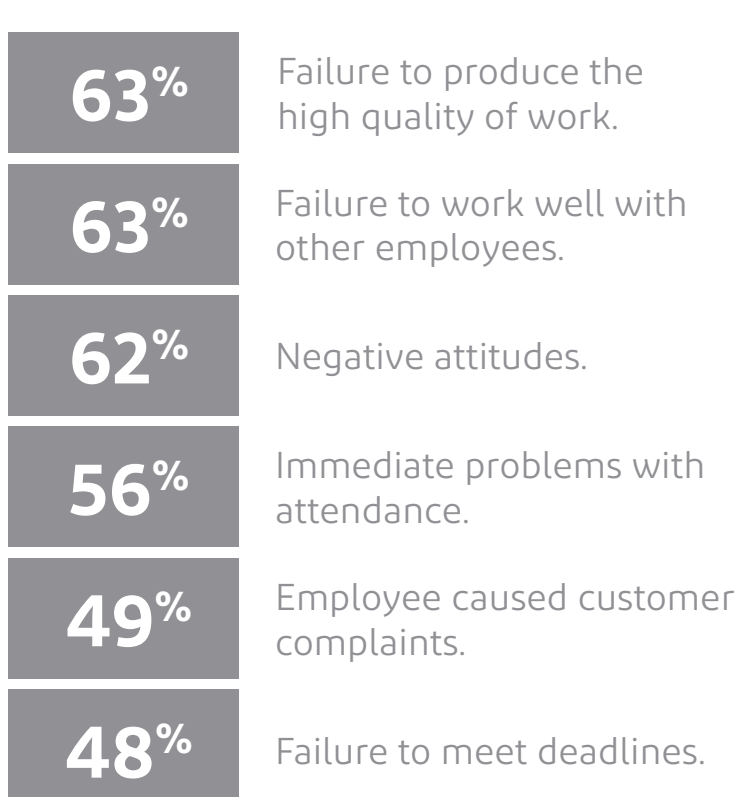**38%** The company needed to fill the position quickly.

34% It just didn't work out.

21% The company didn't test or research the employee's skills well enough.

11% The company didn't perform adequate reference checks.

Breaking the Bad Hire Cycle:

Percent of respondents

How your company can avoid hiring the wrong employee.

63%	Failure to produce the high quality of work.
63%	Failure to work well with other employees.
62%	Negative attitudes.
56%	Immediate problems with attendance.
49%	Employee caused customer complaints.
48%	Failure to meet deadlines.

Great Companies are Made from Great Employees.

According to small business expert/blogger Jay Goltz, the following are ways in which you can improve the chances of hiring the right employees the first time.

Conduct great interviews.
HR teams should have organized interviews prepared for candidates. This includes having a set list of common interview questions as well as questions that are role specific.

Alway check references.
Goltz says that failure to check references is "like playing with fire." If references are hesitant to talk much about the prospective employee, this a red flag. Don't make your decision from one reference. Call all of them and save yourself the headache of dealing with a bad employee.

Give your employee a great first day on the job.
This crucial step will help them feel confident that they made the right decision to work for your company. Make them feel comfortable by having their workspace prepared before they arrive, feeding them lunch, and providing them to all their co-workers. Their excitement to be part of your team. will keep them motivated, and happy to succeed.

Source: Careerbuilder.com