

Nearly Seven in Ten Businesses Affected by a Bad Hire in the Past Year, According to CareerBuilder Survey

Nearly One-in-Four Employers Reported a Bad Hire Cost Them More than \$50,000

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CHICAGO, Dec. 13, 2012 /PRNewswire/ -- Hiring the right person to fill a position can be a difficult decision to make, and a new CareerBuilder study shows the cost of choosing incorrectly can be high. Sixty-nine percent of employers reported that their companies have been adversely affected by a bad hire this year, with 41 percent of those businesses estimating the cost to be over \$25,000. Twenty-four percent said a bad hire cost them more than \$50,000.

"Whether it's a negative attitude, lack of follow through or other concern, the impact of a bad hire is significant," said Rosemary Haefner, vice president of human resources at CareerBuilder. "Not only can it create productivity and morale issues, it can also affect the bottom line."

Effects of a Bad Hire

The price of a bad hire adds up in a variety of ways. The most common are:

- Less productivity – 39 percent
- Lost time to recruit and train another worker – 39 percent
- Cost to recruit and train another worker – 35 percent
- Employee morale negatively affected – 33 percent
- Negative impact on clients – 19 percent
- Fewer sales – 11 percent
- Legal issues – 9 percent

Characteristics of a Bad Hire

When classifying what makes someone a bad hire, employers reported several behavioral and performance-related issues:

- Employee didn't produce the proper quality of work – 67 percent
- Employee didn't work well with other employees – 60 percent
- Employee had a negative attitude – 59 percent
- Employee had immediate attendance problems – 54 percent
- Customers complained about the employee – 44 percent
- Employee didn't meet deadlines – 44 percent

Why Companies Make Bad Hires

The most common reason associated with a bad hire is rushing the decision process. Two-in-five hiring managers attributed a bad hire to pressure to fill the job opening.

- Needed to fill the job quickly – 43 percent
- Insufficient talent intelligence – 22 percent
- Sourcing techniques need to be adjusted per open position – 13 percent
- Fewer recruiters due to the recession has made it difficult to go through applications – 10 percent
- Didn't check references - 9 percent
- Lack of strong employment brand – 8 percent

One-in-four employers (26 percent) stated they weren't sure why they made a bad hire and said sometimes you just make a mistake.

Survey Methodology

This survey was conducted online within the U.S. by Harris Interactive[©] on behalf of CareerBuilder among 2,494 hiring managers and human resource professionals (employed full-time, not self-employed, non-government) between August 13 and September 6, 2012 (percentages for some questions are based on a subset, based on their responses to certain questions). With a pure probability sample of 2,494, one could say with a 95 percent probability that the overall results have a sampling error of +/- 1.96 percentage points. Sampling error for data from sub-samples is higher and varies.

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