

EASTSIDE BUSINESS



Hire Right or Harm Your Business: The Cost of Making a Bad Hire

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Wednesday, 15 August 2007

Employees are a company's greatest asset, its competitive advantage and often the source of its success or failure. Yet despite this common knowledge, many companies don't spend adequate time and resources to find the best candidate for every position. This is especially true in companies where time and resources are already stretched and the importance of finding the right person even more crucial.

Cause for Careful Selection

Making the right hire means finding a candidate that fits a stringent set of requirements that are identified well in advance of executing the hiring process. These requirements must account for all aspects of the position, including, but not limited to tenure in prior positions, professional motivation or work ethic, qualification and applicable skill set, previous work experience and recommendations, and cultural fit.

Neglecting to take the time, commitment and measures it requires to find the right candidate for an open position will result in consequences that far exceed initial losses of time and money. There's the potential for tarnished or lost internal morale; a sense that human resources or the hiring manager does not fully understand the position or the team's contributions; dissatisfaction from employees that may have to pick up the slack or fulfill duties outside their scope to compensate for a fellow employee that is unqualified or that terminates their employment; and a reduction in motivation to find a new person to fill the position.

Hire Like the Pros

For some companies, the hiring process operates smoothly. It may be because they've got a methodology in place that works; they're in a small environment where the hiring manager is integrally tied to the open position; or they've chosen to use a staffing or recruiting firm that specializes in the position they wish to fill. Regardless of the reason, we've found that many local companies do not fall in this category, and in fact would like their hiring process to better emulate one that consistently works and enables the business to grow and team to strengthen. They would like to see increased productivity and a reduction in turnover that allows them to focus on keeping their employees happy, rather than finding new ones.

The key is to understand and execute the essential tasks that make up an effective hiring process.

These include:

1. Finding A Candidate: Look internally first, request referrals, network, use Internet and print mediums, and participate in job fairs.
2. Qualify Candidates Thoroughly: Use telephone screens, in-person phone interviews, and competency tests.
3. Always Conduct In-House Interviews: Does he or she connect with your team, your environment and your culture?
4. Understand Employment Motivations: Are they looking for a career path or just interested in getting a paycheck? Do they have an interest in the company and its success?

5. Exhaust Referrals: We suggest at least two managerial and one peer referral. You want to know if they are a creative thinker, a hard worker, a go-getter, and driven to exceed expectations.

If your HR department or hiring manager doesn't have the time to conduct an adequate search or doesn't clearly understand the requisitions or have the skills to prescreen candidates, consider outsourcing the hire to a person or agency that does. Hiring the wrong candidate is proven to result in significant losses, including: productivity, dollars from costs like finding a new candidate and paying Cobra, time, and in worst cases, customer and brand loss.

In today's business world where your employees are representative of the company and responsible for its success, hiring right is imperative.

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