

Press release
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The cost of a bad hire: Close to three quarters of New Zealand HR Managers have hired an employee who didn't meet expectations

- 72% of New Zealand HR managers have hired a new employee who failed to meet expectations.
- 49% cite lost productivity as the greatest impact of a bad hire.
- See Robert Half's checklist to minimise the risk of a wrong recruitment decision.

Auckland, 11 May, 2016 – Almost three quarters (72%) of New Zealand HR Managers have hired an employee who did not meet expectations, according to the latest independent research from recruitment specialist [Robert Half](#).

The results of a bad hire for a company can be damaging with almost half (49%) of those surveyed naming a loss of productivity as the greatest impact, 30% citing lower staff morale and 20% quoting a monetary cost.

Megan Alexander, General Manager at Robert Half New Zealand said: *“According to our independent survey, up to 5% of employee turnover in New Zealand is the result of poor hiring decisions. These can have very damaging effects on a business. The implications of a bad hire can go beyond the monetary element, affecting corporate culture and the overall performance of a workplace.”*

“Companies are looking to grow and increase profit. Consequently, every hire should demonstrate measurable results towards the company’s development and strategic goals, making the search for the right talent a priority for HR directors.”

“In today’s market, businesses are time-poor and everyone is competing for skilled talent, especially when the wrong hire can cost a business time, money, and damage its corporate brand.”

Hiring the wrong candidate for a role can incur costs for a company including the employee’s salary that did not reflect performance or output; training costs; impacted productivity of the employee, colleagues and management; potential loss of revenue and the ultimate cost to re-recruit for the role.

“The earlier the wrong candidate is identified, the more likely appropriate measures can be taken. It might seem like a good idea to remove the employee from the role, however this should be considered as the last resort in order to keep costs and losses already incurred as low as possible. Often the employee can be offered additional support, more time can be invested in the on-boarding process or there may be an opportunity to assign a new or different role,” said **Megan Alexander**.

Which one of the following, in your opinion, is the single greatest impact of a bad hiring decision?

Lost productivity	49%
Lower staff morale	30%
Monetary cost	20%
Other	1%

Source: independent survey commissioned by Robert Half among 100 New Zealand HR managers

With the war for top talent still present in today’s market, it is vital for companies to adopt an efficient recruitment process.

Megan Alexander added: *“In a market where competition for top talent is high, it is important for companies to put in place efficient hiring processes. Even though recruiting mistakes cannot always be avoided, companies can minimise the risk and overall costs of a bad hire by reviewing and evolving their recruiting processes, and making sure hiring methods reflect recent market changes. Companies should also work closely with their HR department and a specialised recruiter to establish a well-developed recruitment strategy.”*

Robert Half has developed a checklist to assist companies in minimising the risk of a bad hiring decision:

Don't	Do
DON'T go it alone	DO - Consult colleagues on qualities and competencies for the open role, and work with a specialised recruitment agency to find the best candidates for the job.
DON'T use standardised job descriptions	DO - In order to make your job description more attractive and increase the right applications, consider adding more information such as company values, compensation, additional benefits and training opportunities.
DON'T seek where others do	DO - Source actively. The passive candidate market offers a huge potential. Many candidates are open to interesting job offers, although they might be currently employed. Developing employee programs where premiums are granted for successful referrals can also be very useful.
DON'T think the internet has all the answers	DO - Cultivate a talent pipeline by personally reaching out to your network and recruiting sources. Online tools can be valuable, but personal interaction is the most important aspect of the hiring process.
DON'T take too long	DO - Extend an offer once you identify your top candidate. Companies that don't move quickly risk losing talented people to other opportunities.
DON'T offer a low salary	DO - Offer a compensation package that, at a minimum, meets the market standard. Stay current on prevailing trends by reviewing resources such as the 2016 Robert Half Salary Guide .
DON'T fail to differentiate between must-have and nice-to-have candidate attributes	DO – Identify the skills that are mandatory and those that can be developed. The goal is to hire the person who is the best match for the job and your work environment.

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Notes for the editor

About the research

The annual study is developed by Robert Half and conducted by an independent research company, surveying 100 New Zealand HR Managers. This survey is part of the international workplace survey, a questionnaire about job trends, talent management and trends in the workplace.

About Robert Half

Robert Half is the world's first and largest specialised recruitment consultancy and member of the S&P 500. Founded in 1948, the company has over 325 offices worldwide providing temporary, interim and permanent recruitment solutions for accounting and finance, financial services, technology, and administrative professionals. More information on roberthalf.co.nz

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