

Press release
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Cost of a bad hire: Majority of New Zealand hiring managers admit to hiring the wrong candidate

- 98% of New Zealand hiring managers have hired an employee that did not meet expectations, primarily because of a mismatch of skills (49%), the candidate not keeping commitments (37%) or underqualified candidates (35%).
- 46% developed a training program to help grow the candidate's skill level, 35% respectively had to let the employee at hand go and partnered with a staffing agency to secure a replacement.
- Employers cite increased stress on colleagues (46%), increased workloads for colleagues (43%) and increased stress on managers (37%) as the biggest consequences of a bad hire.

Auckland, 19 February 2019 – New independent research commissioned by specialised recruiter [Robert Half](#) shows the majority (98%) of New Zealand hiring managers have hired an employee that did not meet expectations, and more than two-thirds (69%) take upwards of two weeks to six months to discover that they have hired the wrong person.

According to the study of 300 hiring managers, 29% typically realise within a fortnight that a new hire is not meeting expectations. The most common reasons given were a mismatch of skills (49%), the candidate was unable to keep commitments (37%) and underqualified candidates (35%).

What to do with a bad hire?

When asked what steps they took to address the poor hiring decision, 35% of managers respectively say they terminated the employee contract or partnered with a staffing agency to secure a replacement, whilst almost half (46%) developed a training program to develop the employee's skills to the desired level. Little over one in three (34%) worked with the employee on targets and checked in on their performance regularly, while 29% re-started the recruitment process from scratch to secure a replacement. More than one in four (28%) respectively looked for an internal vacancy the candidate would be better suited for or did not take any action and adopted a 'wait and see' approach to see if the employee's performance would improve.

The cost of a bad hire

Hiring the wrong person for the job can significantly impact an organisation. The top three consequences of a bad hire according to New Zealand employers are increased stress on colleagues (46%), increased workloads for existing team members (43%) and increased stress on managers (37%). Other cited negative consequences include lost productivity (32%), higher recruitment costs (29%) and low staff morale (27%).

Megan Alexander, General Manager of Robert Half New Zealand said: *"The cost to a business of hiring the wrong person for the job can be high. Not only do managers have to start the recruitment process from scratch, but companies are also confronted with reduced productivity and they may also potentially miss out on business opportunities. Apart from the financial and time costs associated with a bad hire, non-financial setbacks can also include stress to existing staff from the added workload, which can cause significant disruption to a company's workforce."*

"Having an efficient recruitment process with the right checks and balances is essential to make the right hiring decision. A successful hiring manager should be able to assess crucial factors in a candidate's profile, such as cultural fit, technical abilities, qualifications and references – helping companies hire the right candidate and avoid the costly repercussions of a bad hire."

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Notes to editors

About the research

The annual study is developed by Robert Half and was conducted by an independent research firm, surveying 300 hiring managers in New Zealand. 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 more than 300 offices worldwide providing temporary, interim and permanent recruitment solutions for accounting, finance and technology in New Zealand. More information on roberthalf.co.nz.

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