

What to do when you've made a bad hire

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10 per cent of employee turnover was due to bad hiring decisions. Don't fall into the same mistake.

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The candidate you hired looked good on paper and interviewed well, but you start to think you have made a hiring mistake. Here's what to do next.

A poor hiring decision can be very expensive, with a survey of 100 HR managers conducted by recruitment specialist **Robert Half** in 2016 finding that 10 per cent of employee turnover was due to bad hiring decisions.

“A company can lose more than time, money and effort by recruiting, hiring and training people who perhaps shouldn’t have been brought on in the first place,” Robert Half Australia director Andrew Brushfield says.

“A bad hire can potentially cause loss of customers, [reduced] office productivity and damage to staff morale.”

The importance of a robust recruitment process

Many bad hiring decisions result from lack of planning at the start of the recruitment process.

“A frequent mistake is not thinking through and articulating the core competencies that are required of the person to fill that particular job,” **University of Sydney Business School** associate professor of human resource management and industrial relations, **Angela Knox**, says.

According to HR consultancy Ryan Gately founder Karen Gately, “a well-considered, thought-through position description” and a clear understanding of the skills, attributes and behaviours that make up the selection criteria are essential before going to market.

"If you see potential, then absolutely it;s worth investing that time to help them get their head around the job." Ryan Gately, HR Consultants

A consistent recruitment process is crucial, otherwise you end up comparing apples and oranges. If you’re putting candidates through different processes, Gately says it’s difficult to ensure that you make disciplined hiring decisions based on the selection criteria.

“Too often leaders ignore their gut instincts around cultural misalignment and focus on technical competencies,” she says, an approach that can lead to challenges around cultural fit.

Conduct fair, structured interviews in front of a panel of qualified people who understand the importance of cultural alignment, Gately advises. Develop a solid interview guide that includes carefully crafted questions designed to elicit responses that include specific examples and give the required depth of insight into a candidate’s suitability.

Importantly, don’t rush it or settle for second best; something Gately calls “being disciplined, not compromising”.

“In my experience, it doesn’t end well when leaders choose to compromise and take the best of a bad lot,” she warns.

Managing a bad hire

According to Gately, the probationary period should be viewed as an extension of the recruitment process. Start by setting clear expectations and schedule regular meetings to discuss progress, give feedback, offer support and assist the new employee to integrate into the organisation successfully.

“In a probationary period, you have lots of flexibility to make the choices that you need to,” she says.

“You need to be having very clear, honest conversations from the get-go around what you’re observing that’s not working well. If you’re not confident you’ve made the right hiring decision, then you need to have the courage to call it early and let the person know it’s not working.”

Use the probation to determine whether the appointee is able to complete the tasks expected of them and if they behave in a desired manner.

“Critically, assess the ability people have to build healthy relationships with their colleagues, customers and service providers,” Gately says.

“Pay particular attention to their tendency to behave with respect and decency, earn the trust of the people they work with and hold themselves accountable to high standards of conduct and performance.”

Knox recommends using the role’s core competencies as a guide to establish whether a new hire’s performance is up to scratch.

“If you’re able to isolate which competencies are lacking, you may be able to train and upskill in those particular areas,” she says.

If it is apparent the hire is lacking necessary skills for the role but is still engaged and willing to learn, provide clear feedback and coaching.

“If you see potential, then absolutely it’s worth investing that time to help them get their head around the job,” Gately says.

She adds, however: “If someone isn’t willing to take ownership and honestly acknowledge shortcomings, then it’s not going to work. If you’re not seeing progress in a short period of time, it’s unlikely to get better post that probationary period.”

The idea of letting an employee go is often the manager’s or company’s first reaction, but to keep costs and losses already incurred as low as possible, Brushfield says it should be the last option.

“Offering additional support, spending more time on the onboarding process or assigning a new or different role are more viable options that should be considered first.”

Before showing a bad hire the door, remember that often a poorly performing employee may only need a helping hand – and a little bit of confidence.