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Editors: Will Snell & Nicole Atherton



The Cost of a Bad Hire

Author(s): Steve Isaacs

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Desperate times often require desperate actions, and no time seems more desperate than when the needs are great, time is limited, and labor is short. You need help and you need it now! Add the competition from \$15-18/hr service sector wages to the mix and the situation seems almost hopeless. Someone shows up looking for a job and it can seem like an answered prayer. The temptation is to say, "Can you start today?" That should be the last question you ask, not the first.

Recruiting and hiring can be a cumbersome and lengthy process in the best of times. Desperate times and seasonal demands can lead to shortcuts and mistakes. Most managers would agree that recruiting and hiring should be a deliberate and thorough process but, "I need help today!" Application forms, reference checks, and thorough interviews can seem like monumental costs when the crop needs to go in or the calves need to be worked...last week.

True, the costs of a thorough hiring process can be high. However, the costs of a failed hiring process may be higher. It's an economic risk management problem for which the costs and returns are almost impossible to estimate, especially if those returns are negative and not realized until it's too late. The question must be asked...and answered, "Am I better off with a bad employee than no employee?" If the answer is, "YES, I need help and I need it now. As long as they have a pulse, I can use them." then be prepared to accept the consequences.

Sure, it may work out and you've found a pearl in the oyster. More likely a hasty hire may turn out to be a decision you regret and one that's hard to undo. The costs of hiring are high, the cost of un-hiring can be too. If you didn't have time to conduct a hiring process and you hire someone who's not trained, when will you find time to train them. Poorly trained or low competence hires may do more harm than good. You've not had time to learn anything about their attitude, skills, or knowledge and all these will drive the behavior of an employee. You haven't had time to explore their qualifications or work history...if there is one. The wrong hire may do more than perform badly, they may influence others negatively with their poor or toxic behavior. Wages are not the only thing you lose with a bad hire. The costs of poor performance could be much higher.

There is no easy solution to this problem. You need help, and you need it now. Consider though, that if the need is temporary, perhaps the solution should be also. Nothing says you have to hire someone with promises of a career. Be up front that this may be a seasonal position with no explicit or implicit indication that this is permanent. That gives you a safety valve to terminate the position but leaves you the potential to upgrade if you have found the pearl.

Hiring the right person is never easy, nor a sure thing. Hiring the wrong person can be a disaster. Weigh the potential costs against the value the person can add. A bad hire may be one of the most costly mistakes a manager can commit.

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Author(s) Contact Information:

[Steve Isaacs](#) | Extension Professor | sisaacs@uky.edu