HOW TO AVOID THE PITFALLS OF A BAD HIRE
Hiring good employees is one of the biggest challenges for business owners and managers. While great employees make great companies, hiring the wrong person in a position can cost a business customers and money. Zappos CEO Tony Hsieh once said his own bad hires have cost the company more than $100 million - which is one reason he now offers new hires a $2000 bonus to quit after their first week on the job.

**HOW MUCH IS THAT BAD HIRE COSTING?**

**REAL COSTS**

$25k

$50k

41% of companies say a bad hire cost them at least $25k in one year.

25% of companies surveyed say a bad hire cost them at least $50k in one year.
Besides the salary, following are other ways companies say bad hires have cost them.

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>41%</td>
<td>Lost worker productivity</td>
</tr>
<tr>
<td>40%</td>
<td>Lost time due to recruiting and training another worker</td>
</tr>
<tr>
<td>37%</td>
<td>Expense recruiting and training another worker</td>
</tr>
<tr>
<td>36%</td>
<td>Negative impact on employee morale</td>
</tr>
<tr>
<td>22%</td>
<td>Negative impact on customer solutions</td>
</tr>
</tbody>
</table>

**WHY BAD HIRES HAPPEN**

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>38%</td>
<td>Company needed to fill the position quickly</td>
</tr>
<tr>
<td>34%</td>
<td>It just didn’t work out</td>
</tr>
<tr>
<td>21%</td>
<td>Company didn’t test or research the employee’s skills well enough</td>
</tr>
<tr>
<td>11%</td>
<td>Company didn’t perform adequate reference checks</td>
</tr>
</tbody>
</table>
WHAT’S SO BAD?

63%  
Failure to produce proper quality of work

63%  
Failure to work well with other employees

62%  
Negative attitudes

56%  
Immediate problems with attendance

49%  
Employee caused customer complaints

48%  
Failure to meet deadlines

Source: CareerBuilder
WHAT TO DO

Given the high stakes, what can be done to avoid these bad hires? How a company - large or small - tackles the hiring process can have a lot to do with whether or not the newest employee will work out. Rushing to fill a position and a lack of qualified candidates can cause a company to end up with a team member who drags everyone down. Having the necessary tools and resources to quickly hire the right local person for a current job opening can help employers avoid the high costs of a bad hire.

Even if the employees are part-time, seasonal or hourly workers, businesses can take some basic steps to help ensure they’re finding the best possible employees.

1. CREATE CRITERIA
   The first step is to prepare.

   Before posting anything to a job board, before telling your best-friend's-friend's-daughter she can have a job, ask yourself: what am I looking for?

   Preparation requires foreknowledge. If summertime or the holidays or busy times for your business, unearth those records from last year and the year before. How many employees did you need then? Was that enough, or could you have used more? If your business is relatively new, reach out to other businesses in the area. Ask them how busy certain times of the year are, and prepare accordingly.

2. WRITE AN EFFECTIVE JOB DESCRIPTION
   Next, write a clear and honest job description.

   Combine all the elements of your ideal employee. Is he punctual, clean, diligent? Does she smile, communicate well, use computers effectively? Should he have a positive attitude, previous experience, flexibility in his work schedule? Remember the soft skills, too: should they take initiative, dress appropriately, be attentive (i.e., not clumsy)?

   Do not be rash with the job description. Spend time creating the responsibilities, qualifications, benefits, and, if needed, a description of your business.
POST IN DIGITAL AND PHYSICAL SPACES

Once you know what you want and you've written your description, you can finally start reaching out. The question then becomes: where should you find employees? Should you post job notices online, or in physical places?

When posting in physical places, remember: the space surrounding the job board matters. If you only post on school campuses, you'll probably only receive applications from students. Likewise, if you only post in one city, you'll probably receive applications from that city. Posting in physical spaces also requires applicants to find your brick and mortar store, receive an application from you, fill it out, and return it.

Posting online offers some definite advantages. You can not only qualify your request based on area, but also look through an applicant's profile, see their skills, and even require special multiple choice tests to check for computer proficiency and reading comprehension. Online applicants also must use a computer to fill out the application.

So which is best? It depends on the applicant you're looking for, but a healthy combination of the two is recommended, both in physical places and online.

POST JOB NOTICES AND APPLICATIONS TO A MOBILE FRIENDLY SITE

If you post your notices online, remember this one important tip: mobile matters.

According to Snagajob, 56% of jobseekers are using a mobile device to find and apply for jobs versus a desktop computer. Yet, according to the same survey, only 54% of employers are posting job notices to a mobile device.

And if you're looking for younger employees, 78% of teenagers own a smartphone, so you'll do well to post your job notices and applications to a mobile friendly site. This could be your website, or the websites you choose to use. Just make sure it can be viewed on a smartphone or tablet.

TRAIN YOUR NEW EMPLOYEES; LEAD BY EXAMPLE

Once you hire some employees, train them. Don't leave them in the dark, especially if it's their first job in your field.

One of the best ways to train is to lead by example. For the first week or two weeks, work beside
your new employees: be the employee you want them to be. Show them how to respond to customers, how to hold one’s own on a busy day, how to behave around a dissatisfied customer. Then, slowly back away and teach them to be independent.

At this stage, remember to practice patience. Your hirees are not going to get everything right the first time, maybe not even the second time, or the third. Impatience will only make them feel more anxious, more likely to mess up.

HIRE PREVIOUS EMPLOYEES

Lastly, keep contact with your seasonal employees, especially those you know will do a good job. Always think long-term. Would this temporary employee make a good part-time employee? Manager? Franchisee?

LOOKING FOR TOOLS TO HELP MANAGE HIRING AND MARKETING FOR SINGLE OR MULTIPLE LOCATIONS?

Find out how the LocalMark online platform makes hiring and marketing at the local level simple.

LocalMark is a platform that brings franchise activities—hiring, marketing, and PR—into one place, one login. We are a B2B company that helps franchisors and franchisees build a stronger web presence, hire the best local talent, and target each business’ immediate community.

As CEO of LocalMark, Brant Kelsey is a Certified Brand Strategist through the Brand Establishment. Brant has worked with numerous franchises, including a Fortune 500 company, and built LocalMark out the repertoire of his experience.