



The High Cost of a Bad Hire

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What are the three most important factors for success in hiring? Selection, Selection, Selection! Employee selection is so crucial that nothing else - not leadership, not team building, not training, not pay incentives - can overcome poor hiring decisions. We've all made hiring mistakes and they hurt both our morale and our pocketbooks.

The financial implications of a bad hire are astronomical. In today's market, the success of a company or firm is highly dependent upon its people. Searching for top legal talent is not an easy task and can drain a company's resources very quickly. Experts agree that a mistake in your hiring process can cost thousands of dollars to the organization. Many of these costs are impossible to calculate, however, estimates

range from 50% to 300% of the employee's yearly income.

If you evaluate the actual cost of hiring one lawyer, the salary alone can start at \$75,000 for a junior position and increase to over \$150,000 for more senior positions. This is the annual salary spent on the wrong candidate. It does not cover the further costs of assessing other applicants for the opening nor does it cover the additional costs to repeat the selection process again. How many wrong decisions can your firm or company afford to make?

There is no way to look at a bad hire as an acceptable business cost, so you simply have to take hiring very seriously. You have to aim to hire the best person each time.

So what are the secrets to hiring the best? Start by knowing what you are looking for - what is your culture and what kind of people do you need to be successful? Second, make it your collective mission to ensure each of your hires is a "world-class" hire. Great talent attracts great talent and if you commit to building teams of great people they will

contribute to your success. Finally, ask the experts. Often it makes good sense, particularly from a financial standpoint, to retain a reputable recruitment firm to provide you with direct and timely access to the very best candidates, key strategic and position advice, and reliable market intelligence on candidates.

In choosing a recruitment firm, be cautious and careful. Lawyer recruitment is largely unregulated; standards of practice and levels of expertise vary widely. As well, different firms target different segments of the market so it is important to choose one which can meet your specific needs. Select a capable, professional and ethical firm with a good reputation and a track record of success. Finally, check client references and conduct due diligence to ensure the firm adheres to the Code of Ethics of The National Association of Legal Search Consultants (www.nalasc.org).

In today's competitive market, talent is your most needed asset and people are your most expensive resource. Investing in talented people up front will pay off substantially in the end.