

**SPECIAL REPORT**

# The 7 Biggest Hiring Mistakes Most Bosses Make!

*"It's hard to find good employees these days."* You've heard this old saying, I'm sure. Unfortunately, using the same old hiring methods will yield you the same old employee problems.

**REAL TALENT WARNING:** Hiring is a High Risk Activity and When Done Wrong Will Likely Cause a **Loss** of the Following; Customers, Revenue, Profit, Motivation, Time, Energy, Happiness and a Loss of Your General Well Being. You Will Also Likely Experience Frustration, Aggravation, A Strong Possibility of Violence, Potential Migraines and a General Sense of Malaise...

*Looking to avoid these side effects? Be sure to take note of following 7 mistakes.*

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1. **Hiring too quickly.** Human nature abhors a vacuum, and so do employers eager to fill a vacancy. Hiring in desperation often leads to settling for less than the best. Oftentimes, companies are so motivated to fill a position they hire the first reasonable person who walks through the door. Quite simply, this will not work! You are important. Your goals matter.

Also consider just how much does a bad hire costs you. It can depend on the role, the industry, etc. but take into account the cost of a bad hire over the length of time a bad hire stays at your business, their impact on your team and business as a whole.

When people count hiring costs, they're often talking about three specific things: Recruiting costs, what it costs to train the new hire and the new hire's salary.

Those are three of the big six in terms of cost, but there are three others that are pretty heavy. The Society for Human Resource Managers list these three issues to include in hiring costs as they have the most impact. They are:



A) **Lost opportunity.** The things people do when their underperformance equals lost opportunity... and that can be expensive. For example, a salesman who routinely under sells. It's hard to measure how much that costs a business but it's there.

B) **Management's time.** Let's face it, when people aren't sharp or when their judgment's not good, they make mistakes. Management should be spending their time with their best employees, right? But what often happens is they have to spend

their time with the squeaky wheels that are having difficulty, so the loss of management time is another big expense.

C) **Employee mistakes.** Of course, it's easy to see how that can be really big. Even a front desk receptionist position that may be paid \$20-\$25,000 a year can absolutely destroy opportunities that come into the business.

The *Harvard Business Review* did a study and they touted the figure of 80% of turnover results from bad hiring decisions. When you look at the math, if you pay someone \$20K a year, the costs can get as high as 10 times their base salary, now that depends again on industry and the position and what they do, but even to lose one year's salary is significant, right? You could be looking at a \$200,000 loss and that's not a figure to be ignored.

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And that's just a discussion on the monetary costs. We haven't even mentioned the mental and emotional cost of bad hires to you and your team. So be careful and don't just hire the first person who walks through the door because you are distressed.

2. **Hiring on gut feelings.** The employer rationalizes, "I had a gut feeling that I should hire him/her, so I did." I also like to call this GUESSING. However, appearances are deceiving and you will be disappointed by your hiring results.

You need to be brutally objective about how qualified your gut is. Has it been educated by experience? Does it have a track record of being right in this area? Do other people agree with your assessment of your gut instincts or are you the only one who thinks they're great?

Gut instinct is the opposite of rationalism. Gut instinct decisions stem from subjective judgments based on emotion, opinion and assumption whereas rational decisions are based on objective observable and quantifiable facts.

A 2009 Northwestern University study links unconscious memory with gut choices. In other words, a candidate's mannerisms or facial features may trigger an unconscious feeling that your brain interprets as good, and so you associate the candidate with the good feeling. This phenomenon has caused many executives to "trust their gut" and cast rationalism to the wind.

The Society for Human Resource Management says the number one thing bosses hire for is... Enthusiasm. I like enthusiasm – it's good stuff. But the biggest of derelicts can be quite enthusiastic and dynamic. Let's base our hiring decisions on real information. Real science helps you KNOW what you're really getting.

3. **Hiring because of impeccable references.** How many job candidates aren't smart enough to provide you with references that will assure them a glowing critique? Actually, I had a client who was once told, "Oh, yes. I have a reference. My past boss said he would give me a really good one."

Those who can't find a good reference can now BUY one! Career Excuse, a professional reference provider, allows individuals to purchase fake job references, including a live operator acting as a supervisor's secretary, all for a mere \$50 a month. They use the client's script to connect to a bogus live HR Operator via their very own toll-free fax number and local phone number, as well as a virtual

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"Gerald works very well with others and functions cooperatively in a group setting. Got any references more recent than your third grade report card?"

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company website with email addresses on their domain name to make it all look legit.

Company founder William Schmidt started the site in 2009 and told DailyDot.com that he started the service after realizing there was a high demand for fake job references.

“Yes, there’s a moral issue in fibbing on your résumé to land a job, but that’s for people to deal with themselves,” he reportedly said. “In today’s environment with rampant unemployment, everyone’s looking for an edge. Our service just gets them the interview.”

4. **Hiring because previous employers had no criticism.** Because of the potential for lawsuits, employers today are reluctant to reveal information about an ex-employee, especially if it’s negative. Many employers today have adopted policies known as name, rank, and serial number (NRS) reference policies in an attempt to avoid costly litigation and/or damage awards. The result of these policies is that employers only give out the most basic information about an employee, such as dates worked and positions held, while withholding truly relevant information.

Also, no matter how deserving the employee was of the dismissal, many employers harbor unresolved guilt about having to fire someone. By refraining from being negative during a reference inquiry, they feel, may be the best way to atone for their guilty feelings. This makes it very difficult for potential employers to obtain reliable and relevant information about past job performance of applicants.

5. **Hiring because the applicant aced the interview (or bombed it).**

Having attended seminars or classes on effective interviewing, many job seekers today are prepared or even “groomed” for the interview process. Just Google "interview tips" and you will be rewarded with over 500 million results. There are certainly an abundance of books on the subject. And some people, namely sociopaths, because of their charismatic personality and manipulative manner, may be shoo-ins for almost any job they interview for.

The opposite is also true. It's not surprising that some job seekers find interviews highly stressful and have difficulty relaxing and letting their real personalities come through. They recognize that there's a lot on the line during these brief meetings. Just as you wouldn't want to hire someone on the basis of a single factor,

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“To fully appreciate the breadth of my experience, the depth of my business acumen and the heights I reached in my previous position, you need to read my résumé with 3D glasses.”

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you also don't want to eliminate the person too hastily because of a less-than-ideal interview demeanor.

6. **Hiring because of an impressive résumé.** The Society for Human Resource Management has found that over 53% of resumes contain false information.... 51% lie about length of stay at a past job. 53% lie about salary from their past job. Over 50% lie about their school grades and degrees. Plus, a good résumé can't perform on the job. In addition, anyone can buy a world-class résumé. Just check the yellow pages, where résumé services abound. These masters of hype have a talent for transforming the most meager of job histories into the great American novel.

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**“My short-term goal is to bluff my way through this job interview. My long-term goal is to invent a time machine so I can come back and change everything I've said so far.”**

Hiring someone because they have an impressive resume is like buying a car because you love the brochure. If you fail to look under the hood, buyer beware. Your new hire may end up like the Fisker Karma: the coveted hybrid sports car looked like a million bucks, but was so riddled with glitches that the manufacturer had to halt production and start looking for bankruptcy protection.

You need to avoid lemons when you're hiring too. That means treating the resume like an advertisement – good for basic information but not the whole story.

7. **Hiring because they come highly recommended.** Many employers have hired someone because of virtues lauded by a friend or colleague, only to be stunned later when the employee didn't pan out. While your friend/colleague/associate may not deliberately set out to steer you wrong, they may also be operating under false assumptions.

Friends and family sometimes have very little idea of how someone performs in a workplace. A “nice person” can be nice – but often absent and lousy with details. A “very creative person” might be good with details, but very difficult interpersonally. Relying on a friend to furnish you with a good employee is almost as unreliable as depending on a “gut feeling.”

**Now that you know what hiring landmines to avoid, you can start hiring SuperStars! Let Real Talent teach you how to hire ONLY the best for your business, every time. Just give us a call at 919-518-2794 or email [Info@RealTalentHiring.com](mailto:Info@RealTalentHiring.com).**