Robert Half Canada

Small And Midsize Businesses Sound Off on Hiring



More than Eight in 10 Small Businesses Have Made a Bad Hire

TORONTO, March 21, 2017 /CNW/ - Building a successful business depends largely on hiring the right people. But as small and midsize firms expand, how strong is their hiring process? A new survey from global staffing firm Robert Half aimed to find out. Among the results:

- More than half (**54 per cent**) said most hiring managers underestimate the complexity of the hiring process.
- **Sixty-two per cent** admitted to problems with their process.
- A strong majority (**86 per cent**) said their companies have made a bad hire.

Robert Half's Small and Midsize Business Hiring survey explores perspectives of business owners and managers related to a variety of hiring issues. More than 400 business owners and human resources managers of Canadian firms, ranging from one to 499 employees, were surveyed by an independent research firm to gather relevant data.

"Successful businesses rely on employees who are invested in the company's vision and goals, so it all starts with hiring the right people," said Greg Scileppi, president of Robert Half, International Staffing Operations. "Smaller organizations, in particular, may face hiring challenges as they might not have a human resources team dedicated to recruitment, nor do they have time to focus on hiring due to competing priorities."

Numerous Costs of a Bad Hire
Business owners noted many negative impacts of making the wrong hire:

- On average, respondents estimated **52 hours** were wasted on hiring and onboarding people who ultimately did not work out.
- More than half (**56 per cent**) reported increased stress on the team that worked with the bad hire.
- One in five (**19 per cent**) cited decreased confidence in the managers' ability to make good hiring decisions.

Delays to Correct Mistakes
The research also found that while a bad hire could be identified rather quickly, correcting the mistake took longer.

- **Forty-four per cent** of small business owners said it took less than a month to realize they made a bad hiring decision; however, it took more than three times that on average (**16 weeks**) to let the person go.
- **Seven more weeks** passed before a replacement started working, with **70 per cent** of businesses putting the workload on existing staff during this time.

Minimizing the Risks and Costs of a Bad Hire
The survey results indicate several ways businesses can address deficiencies with their hiring process and minimize risks of

making a bad hire.

- **Branch out** – **Fifty-six per cent** of respondents said the best new hires come from referrals, including employees, friends, recruiters and others in their network. Go beyond posting job openings and hoping the right person will apply. Among the respondents who use recruiters, **71 per cent** said a recruiter was able to find a candidate they wouldn't have found on their own.
- **Delegate – Forty-eight per cent** of owners noted that the most challenging hiring step is evaluating candidates based on their skills and potential fit; **27 per cent** admit it takes them too long to fill open roles. Delegating these duties to an outside resource can cut hiring timelines and save money: **Thirty-nine per cent** said working with a recruiter saved the firm time because the recruiter did most of the work; **26 per cent** also said they saved money by finding someone more quickly.
- **Get a guarantee – Twenty-seven per cent** of businesses working with recruiters said they do so for the service guarantee. Ask recruiters about their placement success rates and what they offer if a new hire doesn't stick.
- **Bridge the gap –** Only **13 per cent** of respondents said they brought in temporary professionals to assist with heavy workloads while replacing bad hires. The right person can lift the burden from existing staff, keep projects moving and may be evaluated on the job for a potential full-time role.

About Robert Half
Founded in 1948, Robert Half is the world's first and largest specialized staffing firm. The Menlo Park, Calif.-based company has more than 325 staffing locations worldwide and offers online job search and management tools at roberthalf.ca. For career and management advice, follow our blog at roberthalf.ca/blog. Follow Robert Half Canada on Twitter at @RobertHalf_CAN for additional workplace advice and hiring trends.

Contact: Naz Araghian
416.865.2140
naz.araghian@roberthalf.com

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