#### Harvard Business Review

#### **Firing**

# What to Do When You Realize You Made a Bad Hire

by Liz Kislik

August 22, 2018



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**Summary.** By some estimates, only half of new hires are considered fully successful. What if you've hired someone who's dragging your whole team down? First, prepare for a direct (and uncomfortable) conversation with your new hire. They need to know how they're failing... **more** 

Sometimes it happens that a candidate who had the right credentials, seemed to fly through the interview process, and had lovely references turns out to be an unexpected problem after hiring. If it

hasn't happened to you yet, consider yourself lucky, because only 19% of new hires are considered fully successful, according to a frequently cited study, and by the 18-month point 46% are deemed failures.

If you've been in this situation, you've had to face the dilemma of whether it's worse to be stuck with an employee who can't handle the work and is damaging to the team, or to go public with the admission that you've made a significant mistake. Usually in these situations it's less costly to make a change, and the sooner you make it, the better. Although coping with the impact of a bad hire will never be easy, following these steps will help you recover and move on with the least possible damage to all parties.

Prepare for a direct, and probably uncomfortable, conversation with the new hire. Rather than hoping for the best, or trying to deter a confrontation, leveling with the new hire about your dissatisfaction and their performance issues can open the way to joint problem solving. By sharing your concerns and asking for their input, you may be able to discover workable alternatives, or at least understand how bad the situation truly is. You can start off with something like, "James, I want to talk about the last few weeks, and where we seem to be on track and where we need to make some adjustments." Keep in mind that the new employee may recognize the same problems that you do and be grateful for the opportunity to clear the air and work on a solution together.

#### Try to repair the situation with focused feedback or

reassignment. One of my clients hired a relatively junior staffer for his moxie, energy, and drive. Within just a few weeks, though, the new employee started broadcasting his concerns that the job was not as exciting or rewarding as he had expected, and he started making careless mistakes and goofing around with other employees. His manager gave him careful feedback on his behavior and asked lots of questions about why the job felt unsatisfying. Luckily, thanks to projected business growth and flexible organizational parameters, the manager was able to shift the new hire to another department and a

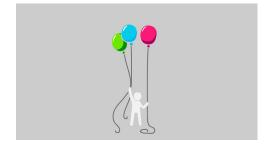
more challenging job that suited his ambitions better. We developed an intensive training program to equip him for the new role and ensure a smooth transition.

This doesn't always work. At one client company, a new vice president who came from a different industry made numerous commitments to apply the feedback she was receiving, but she didn't understand the business model and seemed either unable or unwilling to adapt her technical skills, so she was incapable of implementing the feedback accurately. Watch out for the escalation of commitment — many of us resist "giving up" on a tough situation. But if you're giving the person lots of feedback, and you don't see both significant personal effort almost immediately and actual improvements over the next three to six months, at some point you need to prepare to cut your losses.

#### Identify both the current and the future expense of keeping the

bad hire. In some situations, the negative impact on other team members or the business makes it impractical to look for other internal opportunities or to invest in ongoing development. In one case, a senior executive who had previously worked for a very large public company joined my client, a midsize family-owned company, with such unrealistic expectations about resources and autonomous decision making that he cost the business dearly. Giving him feedback didn't work, and moving him to another role wouldn't have solved the problem.

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In situations like these, the costs usually include reduced productivity or increased opportunity costs, employee disengagement and possible turnover, and increased interdepartmental conflict. Some clear indicators are missed deadlines or a decline in work quality. A less obvious sign is extra

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pre- and post-meeting meetings — often an attempt by colleagues to compensate for or work around an underperformer's struggles.

Compare those impacts with the cost of replacement and onboarding for a new candidate.

Often you won't recognize how much negative impact the bad hire has until you remove them, as happened at one of my clients where they tweaked the organization multiple times over several years, trying to find a place for an executive who had made a good initial impression but did not have the necessary knowledge or skills, and who therefore bottlenecked work, suppressed innovation, and created dissension among colleagues and subordinates. It wasn't until she was removed that others stepped up to build bridges and enthusiastically tackle languishing initiatives and propose new creative solutions.

Make the case for an exception to the typical exit plan. If the relationship can't be salvaged, look for every opportunity to make the transition and departure as smooth and graceful as possible. Start by considering whether you can negotiate a mutually beneficial plan. An honest conversation can give the unsuccessful hire more sense of personal control and also give you the leeway to work publicly to support the team's activities and find a replacement. Particularly if the employee has previously expressed discomfort, you could open with something along the lines of, "I appreciate your telling me how concerned you are, and the current situation is having a negative impact on the team, too, so I wonder if we can work this out in a way that benefits everyone." Check with your HR department before you do this.

Otherwise, if it has to be a surprise to the employee, be direct and to the point: "As we've discussed several times, someone in your role needs to be able to accomplish these tasks and goals successfully, and you haven't been able to do that. So unfortunately, we're going to have to terminate your employment as of such-and-such date. Here's how we're going to manage the exit."

Offering severance and outplacement services will demonstrate to both the unsuccessful employee and their colleagues that you're acting in good faith. While it's true that most companies only provide severance payments or outplacement services in situations where an employee has provided long and faithful service, when organizations take responsibility for the mistake of a bad hire, it helps everyone move on more quickly. The exception to this would be if the employee misrepresented their skills or has ethical or behavioral problems.

It's painful for all parties when you make the wrong hire, so learn what you can about what went wrong to avoid repeating the situation, particularly because it will be crucial that the replacement works out well. If you move deliberately but quickly to handle the problem, the new hire is more likely to still have some job opportunities in the pipeline, or to be able to return to their last position, and will be grateful for the chance to salvage their career — and it's more likely that you'll still have a batch of candidates to consider.

**Liz Kislik** helps organizations from the Fortune 500 to national nonprofits and family-run businesses solve their thorniest problems. She has taught at NYU and Hofstra University, and recently spoke at TEDxBaylorSchool. You can receive her free guide, How to Resolve Interpersonal Conflicts in the Workplace, on her website.