

# Hiring Failure Rates; Lies, Deception, and Gut Feeling.

By Tim Kahms, Operations Manager

I recently wrote an article that discussed two recent statistics that came from studies by Gartner Research...

*46% of new hires from the last six months said they wouldn't make the same decision.*

*38% of new hires who regret their decision intend to leave their jobs within 12 months, compared to 7% who don't regret their decision.*

Harvard Business School, the Corporate Leadership Council, and LeadershipIQ are all finding and publishing similar disturbing statistics.

Leaders, if any of your processes failed at a rate anywhere near 50 percent, wouldn't you immediately Kaizen, lean, or six-sigma the crap out of it...and fix it?

So, why are hiring failure rates so high? ...Because the process is dominated by lies, deception, gut feelings and misguided emphasis on urgency.

- **Lies** - Resumes are awful evaluation tools. Few candidates are truthful in their resume. Let's face it, all resumes are written from a biased perspective. The owner wants to look great; no one in their right mind includes errors and negatives in their resume. Statisticsbrain.com reports that 78 percent of resumes are misleading and 53 percent contain outright misrepresentations.
- **Deception** - Most pre-screening and interview processes are set up to fail. Interested candidates strive to tell you what they believe you want to hear. Failure rates show the interview process is about as good as a coin flip...or worse a game of Russian roulette.
- **Gut Feelings** - Because managers rarely are experienced or trained in good interviewing techniques, they use gut feelings to make many hiring decisions. It has been estimated that 90 percent of corporate interviews are unstructured; most interviewers are simply not trained well to uncover the deceptions and reduce the risk.
- **Misguided emphasis on speed**. - HR's continued use of third party contingent recruiting processes is fundamentally flawed and contributing to these failure rates. It is based on volume and speed, while lacking in quality. It's driven by numbers, with recruiters typically having to work on 10 roles to just to fill 1. This means they are working for free 90% of the time and therefore don't do the deep dives necessary to truly vet candidates to a level needed to reduce these failure rates.

Your success as a leader is in your ability to hire and retain exceptional leaders under you. Hiring exceptional talent, launched well, and retained solves 90% of all issues for a manufacturing organization. Yet, we still see these failure rates? Worse yet, they seem to be ingrained and accepted as part of the process.

Isn't it time to Kaizen the hiring process and find a better way?