|  |  |
| --- | --- |
|  | For a Person with an Annual Salary of |
|  | $50,000 |
| **Reputation Costs – Negative comments on social media** | $ |
| **Hiring Costs** |  |
| Advertising for the position | $ |
| Human resources time setting up interviews, logistics, paperwork, etc. | $ |
| Telephone interview(s) | $ |
| Manager(s) 1st interview time | $ |
| Manager(s) 2nd interview time | $ |
| Management time on the decision | $ |
| Reference checking expense | $ |
| Drug and medical tests | $ |
| Background check expense | $ |
| Pre-employment assessment testing | $ |
| Recruiting firm fees | $ |
| Travel expenses | $ |
| Relocation expense | $ |
| Medical exams | $ |
| **Training expense** |  |
| On-boarding (training on fringe benefits, polices, etc.) | $ |
| On-boarding management time | $ |
| Product training | $ |
| Job shadowing expense | $ |
| Travel & entertainment expenses | $ |
| **Pre - Termination Expenses** |  |
| Meetings with an underperforming employee | $ |
| Manager to manager discussions on the underperforming employee | $ |
| Filling out termination paperwork | $ |
| Exit interview time | $ |
| **Costs for terminated employee** |  |
| Separation costs – wage/salary/vacation, etc. | $ |
| Overtime costs for the rest of the team members | $ |
| Cost to hire temporary help | $ |
|  |  |
| **Intangible costs** |  |
| Lost sales | $ |
| Reduced customer service | $ |
| Lower employee morale | $ |
| Lower employee productivity | $ |
|  |  |
| **Total Cost of a Poor Hiring Decision** | **$** |

Cost for a Poor Hiring Decision