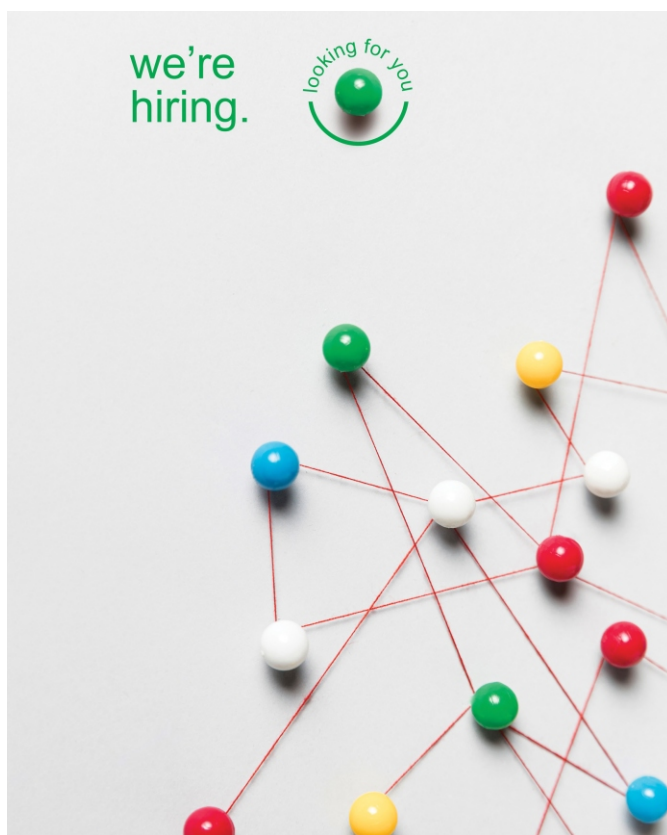


Bad Hires Are Bleeding Your Business: Here's How To Fix Your Hiring Process

Sushmita Srivastavaⁱ, Rahul Mohanty & Maria Saju

ⁱS.P. Jain Institute of Management & Research

* Corresponding author, sushmita.srivastava@spjimr.org



Problem of practice

In today's uncertain and volatile market environment, the demand for skills and mindset is also dynamic. Recruiters and hiring managers find that sourcing talent with the right skills and mindset is of increasing importance and urgency. But beyond time and money, the primary goal of identifying and hiring the right candidate can often be missed, which results in escalating costs, lost productivity and drooping morale. One of the causes of failure is traditional interviews, which frequently fall short, as they tend to rely on unstructured conversations, gut instincts and inconsistent evaluation criteria. As a result, they are prone to personal bias, overlooking key competencies that fail to predict real-world job performance or cultural alignment. [Recent research](#) by Timothy G. Wingate and Joshua S. Bourdage offers new insights to recruiters on how to build a better hiring process by introducing structured interviews, behavioural assessments and realistic job previews.¹ These processes can reduce bias and enhance candidate engagement, benefiting both organisations and job seekers

¹ The article 'What are interviews for? A qualitative study of employment interview goals and design' by Timothy G. Wingate and Joshua S. Bourdage, featured in Volume 63, Issue 4 of *Human Resource Management* talks about how to build a better hiring process by introducing structured interviews, behavioural assessments, and realistic job previews

The hidden cost

Making the right hiring decisions is becoming a tightrope walk for recruiters and hiring managers. They are responsible for finding the best candidates who have the required skills and experience and can fit in with company culture – all under time and budgetary pressures.² What is often overlooked in the rush is the cost of a bad hiring decision, which causes reduced productivity, delayed projects, demoralized team members and/or legal issues.³ Recent estimates suggest that a bad hire can cost the company as much as 30% of what that person would have earned in their first year.⁴ So, if you hire a manager for \$80,000, you are potentially throwing away \$24,000 if they don't work out. Some Human Resources (HR) agencies estimate even higher losses, ranging from \$240,000 to \$850,000 per employee.⁵ And it is not just about money; the company's reputation is also affected, making it harder to convince the good hires to come work for the business. So, how to derisk your hiring process?

Hiring starts with interviewing the candidates, but such processes are traditionally cycles of 'rush' talks, subjective valuations and below-par results. Hiring experts must first understand what problems lie behind the hiring process and try to think outside the box about innovative ways of transforming it.

Key principles for a better hiring process

- Clear defined goals
 - Structured interviews
 - Behavioural and situational questions
 - Multiple interviewers and perspectives
 - Applicant-centred approach
 - Testing for competencies
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Hiring smarter

The core of the problem is a misalignment between the intended goals of interviews and their actual design and execution. Traditional interviews are often surface level, which can lead to biased and inaccurate conclusions. Interviews should serve specific purposes such as promoting the organization, gauging general traits, assessing specific KSAs (Knowledge, Skills, Abilities), determining if a candidate is a good fit, attracting the candidate and setting realistic job expectations.

The research by Wingate and Bourdage creates a roadmap on how companies should be thinking about interviews. Instead of just trying to 'get to know'

candidates, the research suggests setting clear goals, having a solid structure, and objectively evaluating the candidates.

So, how can a company bridge this gap and create a more effective interview process? The solution can be found in a multi-faceted approach that incorporates the following key principles:

Clearly defined goals: A successful interview process needs a strategic and focused approach. An organization needs to define clear, measurable goals such as attributes or competencies related to the role, leadership potential, and cultural fit. These goals can be ranked in pre-decided order of importance for each goal for final decision making.

Structured interviews: The interviewer not only has to ask the right questions in a structured manner to reduce bias and subjectivity but also provide a detailed, realistic picture of the role and the company.⁶

Behavioural and situational questions: To better understand a candidate's experience, it is necessary to find more about their experience by asking behavioural and situational questions.⁷ For example, "Tell me about a time you dealt with a really tough client", or "Describe a project where you hit a major roadblock and how you got past it". This gives the hiring manager concrete examples of what a candidate is capable of. A company can also have multiple interview rounds, asking questions in a similar manner or case-based questions to assess the consistency of thought and character.

Multiple interviewers and perspectives: Having more than one interviewer can help remove any biases and create a complete picture of the candidate. Each interviewer can focus on specific areas, covering all the essential skills and qualities to get a well-rounded perspective.⁸

Applicant-centred approach: A company can also conduct interviews from the applicant's perspective, as it prioritizes their experience, needs and journey.⁹ It makes the interviews a two-way process, where candidates can evaluate the organization too, fostering transparency, respect and empathy. Some companies, for instance, provide candidates with the names and roles of their interviewers in advance or share some practice documents.

Testing for competencies: American companies like IBM, General Motors, Walmart and Accenture are checking more for competencies than degrees nowadays.¹⁰ Identifying key competencies and incorporating questions to test for them might be essential to fit into the new normal.

Costs of better hiring

Aligning with these principles comes with its own set of costs, which can be both monetary and non-monetary, as outlined in *Table 1*.

Table 1: Costs of hiring smarter

Hiring smarter element	Monetary Cost Components & Estimates/Ranges (Estimated)	Non-Monetary Cost Components
Clearly defined goals (e.g. competency frameworks)	<ul style="list-style-type: none"> • Competency model development: Consultant fees (e.g. \$100k+ for large projects¹¹, \$100-150/hr general HR consulting¹²), significant internal staff time, varying software costs¹³ • Budget for learning & development ROI context: Can lead to reduced turnover¹⁴ (e.g. 19-35%) and lower retraining costs¹⁵ 	<ul style="list-style-type: none"> • Time investment: Development can take time, extensive expert/stakeholder involvement • Organisational effort: Securing buy-in, significant change in management, and integration complexity • Risk of poor implementation: Outdated models, ineffective definitions, lack of employee understanding
Structured interviews	<ul style="list-style-type: none"> • Development costs: Staff time¹⁶ for job analysis, question/rubric design • Administration costs: Depends on rater time, applicant¹⁷ volume • Training costs: Approx. \$150-\$280/person or per program for some online/self-study options¹⁸ • ROI context: High¹⁹ if critical competencies needed at entry level. Approximately 2x better prediction than unstructured²⁰ interviews 	<ul style="list-style-type: none"> • Time investment: Development (job analysis, question/rubric design), interviewer training, interview administration/scoring
Behavioural & situational questions	<ul style="list-style-type: none"> • Training costs: Specific training on asking, probing and scoring (e.g. ~\$150-\$200/person) 	<ul style="list-style-type: none"> • Time investment for development: Collecting critical incidents, crafting questions and developing behavioral scales • Interviewer skill & effort
Multiple interviewers & perspectives	<ul style="list-style-type: none"> • Personnel time: (main cost) Multiple mini-interview cost²¹ ~\$35/candidate, Mean in-person interview cost²² \$358 vs. virtual \$122 • Scheduling software: Potential cost for tools²³ (e.g. VidCruiter from \$5,000/yr) 	<ul style="list-style-type: none"> • Scheduling complexity • Interviewer time commitment: Preparation, interview, post-interview deliberation/feedback
Applicant-centred approach	<ul style="list-style-type: none"> • Technology (Applicant Tracking System/CRM): E.g. ~\$10k+/yr for mid-size applicant tracking²⁴ system, \$310/employee/yr for HR tech²⁵ in large firms • Branding cost • ROI context: Improved employer brand, higher offer acceptance (66% influenced²⁶ by positive experience), reduced early turnover (positive candidate experience linked²⁷ to 72% higher long-term retention, good onboarding boosts retention²⁸) 	<ul style="list-style-type: none"> • Time investment: Personalized communication, feedback, relationship management • Managing personalization at scale
Testing for competencies	<ul style="list-style-type: none"> • Assessment tools/platforms: Online tests²⁹ can range from ~\$7-\$150+/candidate or \$19-\$30,000+/year for subscriptions • Administration & validation costs 	<ul style="list-style-type: none"> • Time investment: Researching/selecting tools, custom development, administration, assessment centers among others

Solutions in practice

Do the above criteria sound too good to be true? But the reality is that several companies have already incorporated a mix of the above-mentioned principles in their hiring process:

Zappos: The 'Insider' Program and Cultural Fit Assessment

Zappos doesn't post about recruiting candidates, it invites applicants to be 'insiders' and engages them via online chats (clear defined goals).³⁰ It also covers travel costs for out-of-state applicants coming for in-person interviews and their behaviour is observed the entire way (testing for competencies). While this approach strengthens employer branding and offers a holistic assessment, it requires ongoing adaptation to prevent candidates from gaming the system (multiple interviewers and perspectives).

Unilever: Assessment Centre for Leadership Roles

Unilever's [hiring process](#) uses a multi-stage assessment to ensure cultural and skill alignment (multiple interviewers and perspectives).³¹ Candidates first complete a culture-fit questionnaire (structured interviews) and a psychometric test assessing reasoning, adaptability, and competence through game-based methods (testing competencies). Next is the video interview, which evaluates quick thinking and communication (behavioural and situational questions). The final stage tests teamwork through group exercises, presentations and an interview.

Dealing with potential problems

However, bringing new rules or principles into an established process or dealing with existing issues is not always easy. The following *Table 2* identifies the problems in interviews and possible solutions:

Table 2: Implementation issues and mitigation

Interview Purpose	Possible Issue Identified	Recommendations
Promoting the organisation	Over-emphasis on employer branding can fail to present a well-rounded view of the role	Keep the interview applicant-centric and use structured interviews to visualise how they fit into the organisation
Gauging general traits	Biases and subjectivity can kick in, making assessments skewed and unreliable	Have a set of standardized questions and conduct multiple-round interviews
Assessing specific knowledge, skills and abilities	Poorly defined evaluation criteria can lead to difficulty in assessing relevant skills and requirements	Set clearly defined goals
Cultural fit assessment	Biases can lead to exclusion of diverse candidates	Have a diverse interview panel with multiple perspectives
Attracting the applicant	An adverse interview experience can drive high-quality candidates away	Adopt an applicant-centric approach
Providing a realistic job preview	An incomplete picture can set unrealistic expectations, leading to dissatisfaction	Introduce behavioural and situational questions that align with on-the-job realities

Source: Developed by authors based on insights from the article by Wingate & Bourdage

Incorporating these principles in the hiring interview process can help avoid pitfalls like the ones Boeing faced during its transition from an engineering-oriented company to a finance-oriented company. The company's merger with McDonnell Douglas in 1997 brought in ill-informed [hiring practices](#).³² Leadership under CEO James McNerney (2005–2015) gave priority to financial results over engineering value, which resulted in safety failures such as the 737 Max debacle. This shift undervalued engineering judgment, which resulted in hasty production and design errors. Boeing's example demonstrates the pitfalls of recruitment driven by short-term, bottom-line expectations rather than fundamental capabilities.

Implementing best practices

Hence, to effectively employ better hiring practices, organisations need to prioritise five areas:

- The company needs to incorporate in-depth and continuous training which includes formalized techniques, awareness of bias and candidate competency evaluation.
- Technology like ATS (digital Applicant Tracking System used to manage the recruitment process) and

evaluation tools can be used to offer objective feedback. This will lead to increased efficiency.

- Standardized evaluation forms, preferably with Behaviorally Anchored Rating Scales (BARS), for guiding objective scoring and ensuring consistency across interviewers, are essential for objective candidate evaluation.
- A strong feedback system, which gathers input from the interviewers and candidates and examines primary hiring data (such as quality of hire), will lead to better alignment with the organisation's objectives.
- Lastly, the company must ensure a culture shift, where leadership needs to actively lead data-driven recruitment, hold people accountable and resist subjective decision making.

Building a better hiring future

The above-mentioned blueprint for more precise interview goals, well-structured questions and insightful behavioural enquiries turns recruiting from a random process into a competitive advantage in the war for talent. Despite the required investments, this shift can lead to a huge payoff: it equips recruiters and turns hiring into a growth engine.



Sushmita Srivastava is Associate Professor in Organisation & Leadership Studies department at SPJIMR. You can reach out to her at sushmita.srivastava@spjimr.org

Rahul Mohanty & Maria Saju are students of SPJIMR

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