

Which costs more...Health Insurance or Hiring Mistakes?

Health Insurance and its related costs are being hotly debated in town halls all across the country. The discussions have been "heated" and the opinions are definitely strong. Employers everywhere have seen their costs for providing health insurance to employees rise considerably... year after year. Accountants track these costs closely and companies have implemented many initiatives like "wellness programs" to tackle these continuous increases. It's a popular topic these days and rightfully so...

That said, I believe the cost of turnover is actually more than the cost of health insurance for lots of companies. Think about how much it costs to hire the wrong person into your company. First, you have the time and expense to recruit, interview, orient and train. If it's the wrong person, you will experience lost productivity, lost market share, morale problems and possibly legal fees upon termination. Tracking the exact cost of hiring mistakes is difficult at best. There is not typically a line item on an income statement for "turnover expense" so these costs get lost in the shuffle. These costs are real, however, and they are substantial.

Like insurance, employment costs will continue to rise. The due diligence required to identify and adopt best practices for hiring has never provided a better return. Please call us anytime to learn more.