People often say to me that they were lucky because a marginal employee left. They are congratulating themselves because the problem has gone away and they didn't have to deal with it. Not only that, but they don't have to pay unemployment. I call this ""fortuitous self-selection" and people who rely on it as a management tool are making a serious mistake.

Having a marginal employee resign is a hollow victory, and "saving" the unemployment rate increase is a high price to pay for not having the courage to face up to the situation and fire them. Managers who do this have made a serious mistake that will cost them dearly going forward.

Relying on "fortuitous self-selection" instead of firing, allowing a marginal employee to decide whether or when to leave on their schedule, brings a number of hidden expenses.

The employee looks for the job on your time. A job search is an energy draining, time-consuming process and if you have an employee who is looking for a job then it will almost certainly impact their performance.The employee who decides to leave your company has to spend time putting his resume together, looking for jobs and going on job interviews.

While they may put their resume together in their own time, their job search probably goes on during working hours. One of the more chilling statistics out there is that the busiest time for responses to job adverts is first thing on a Monday morning, and apparently many people would rather do this from work than from home.

You are losing time, and their energy and commitment level has obviously dropped. When they do go on a job interview they are almost certainly taking time off work – probably unscheduled and this often involves calling in sick. As a side note, one of the world's great interview questions is "what did you tell your boss you were doing today? " The answer often catches people off guard and may give you a revealing insight into their character.

Hiring a replacement becomes a fire drill. When the employee finds a new job, they are going to give you at most two week's notice, probably a lot less. If they are disgruntled there is nothing to stop them walking out there and then when they resign, leaving you in the lurch. One of two things happens; either you decide that you can do without them and that you are not going to replace them or you have a pressing need to hire somebody and simply have to get it done quickly.

If you decide not to replace the person, then shame on you for not firing them. Think back to when you first could have decided to fire them. It has cost you at least the total of whatever you have paid them from that time until now, and the money it has cost you comes straight off the bottom line….comes straight out of your pocket.

If you are scrambling to make a replacement hire in a hurry, then a number of bad things will happen. I have seen people in this situation panic and go through the following mistake-laden steps to get a warm body in to fill the gap just created:

- React too quickly without taking time to review their organization and figure out what they really need in the job

- Create a job advertisement too quickly without taking the time and trouble to think about how it should be worded and who they really want to attract

- Make the hiring decision too quickly because of the pressing need to fill the vacancy and the fear that somebody who seems like a good candidate will take a job somewhere else.

Keeping employees too long and being afraid to fire them is one of the most common and most expensive mistakes made in small businesses. It isn't an easy thing to do, and in so many cases the owners and managers of small companies are so connected with their employees and their personal situations that it becomes very difficult to be objective and do what is best for the company.

What happens when you rely on "fortuitous self selection" can be extremely expensive. Not only do you have the lost productivity, but you also dramatically increase your chances of making another bad hire. Since you have already demonstrated that you don't have the courage or systems to fire marginal employees, the cost of this bad hire is potentially three times the annual cost of the employee, making this a very expensive mistake.

Ask yourself this question every time an employee resigns: "Is this somebody we are sorry to lose, and if they applied for the job that is now vacant would we hire them?" If the answer to both parts of the question is "no" then you have relied on "fortuitous self-selection" and opened yourself up to the costs that go along with this particular type of inertia.