

An illustration of a man in an orange sweater and dark pants standing on a white iceberg. He has his hands raised to his eyes as if looking through binoculars. To his left, several green banknotes are floating out of the iceberg. In the background, a blue sailboat is on the water, and there are white clouds and birds in the sky.

THE HIDDEN COST OF TALENT

Breaking Down Financial Realities of Building a High-Performing Workforce

In today's competitive job market, finding and retaining top talent comes at a premium. From increased competition for talented candidates to the hidden costs of interviewing and onboarding, businesses must navigate the significant financial impact of hiring and maintaining a high-performing team.

92% of U.S. and 93% of Canadian hiring decision-makers expect to face challenges over the next year with “finding qualified candidates” the most cited challenge for both countries (45% U.S., 46% CA).

Source: Job Insights report conducted by The Harris Poll on behalf of Express Employment Professionals, Fall 2024



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THE DIRECT COSTS

Direct hiring costs include a wide range of expenses associated with recruiting and onboarding new employees. Understanding these costs is key to budgeting for workforce growth and development.

1. Recruiting: Expenses associated with the process of identifying and attracting potential candidates add up quickly and can include costs such as subscribing to recruitment platforms and job boards, internal recruiting staff salaries, applicant tracking systems, and more.

2. Advertising: These are costs incurred to publicly promote your open positions, including posting job openings to online job boards, social media advertising campaigns, industry and local advertisement placement, job fairs, or sponsored content on more specialized, industry-specific websites.

3. Interviewing: From scheduling, coordinating, and preparing interview panels to software and technology necessary for facilitating virtual interviews, conducting interviews with candidates can be time consuming and costly.

4. Onboarding: Once a hiring decision is made, expenses involved in welcoming and integrating new hires into your organization may include employee orientation materials and welcome kits, time and resources spent to set up workstations, as well as any legal or compliance paperwork required before the new employee starts.

5. Training: Costs related to getting a new employee up to speed with role-specific training and company knowledge to perform their job effectively often include formal training sessions, external certifications, materials such as manuals or elearning modules, and time spent by supervisors or peer coaches.

The average cost per hire is nearly
\$4,700
(2023). For roles that are in greater demand or require more specialized skills, hiring costs quickly climb.

Source: Society for Human Resource Management (SHRM)

On average, employees received
47 HOURS
of training in 2024.

The average training budget by company size:

Large: \$13.3 Million

Medium: \$1.7 Million

Small: \$374,207

Source: TrainingMag.com 2024 Training Industry Report

THE INDIRECT COSTS

There are often additional expenses that can impact your bottom line and may not be as clear cut and quantifiable. Indirect hiring costs include the overall time and resources spent during the recruitment process, as well as the impact of potential disruptions to productivity and employee morale.

1. Lost productivity during transition: Before new employees are onboarded, existing employees may be pulled away from their core duties to help bridge the gap, leading to reduced overall productivity during the transition period.

2. Disruption to innovation: A lengthy hiring process can disrupt the flow of creativity and innovation within a team as employees become distracted or demotivated as they focus on adapting to new people or processes instead of pursuing new ideas.

3. Turnover: High employee turnover, whether due to bad hires or unfilled positions, can result in frequent recruitment cycles, instability within teams, and a loss of institutional knowledge, all of which hamper long-term productivity.

4. Impact on morale and team synergy: Frequent hiring or poor hiring decisions can affect team dynamics, leading to frustration, uncertainty, or decreased morale among existing employees. It may also create challenges in maintaining a cohesive team culture, as new members take time to integrate.





It can take up to
12 MONTHS
 for a new hire to reach
 their full performance
 potential within a role.

Source: Gallup

Employee retention strategies come in all shapes and sizes, but they're all linked to the same basic idea—employees are a company's most valuable asset.

LEARN MORE

ExpressPros.com/TurnoverSolutions



MANAGING COSTS

Ensuring your hiring efforts remain cost-effective and efficient helps achieve long-term success without compromising on the talent you need.

1. Streamline hiring process:

Simplifying and speeding up the hiring process helps reduce time-to-hire and minimizes the need for multiple interviews and assessments, lowering recruitment costs. Efficient job posting, candidate screening, and interview stages can also reduce administrative overhead.

49% OF EMPLOYEES
 in the U.S. and Canada say they are watching
 for or actively seeking a new job.

Source: State of the Global Workplace, Gallup, 2024



2. Use technology:

Leveraging Applicant Tracking Systems and AI tools helps automate tasks such as sorting resumes, screening candidates, and scheduling interviews. This reduces manual labor, speeds up recruitment, and improves candidate matching, ultimately lowering hiring costs.

3. Focus on retention:

Retaining current employees through engagement, professional development, and competitive benefits reduces turnover, which in turn reduces the costs of recruiting and onboarding new hires. Long-term retention is more cost-effective than frequent hiring.

4. Build a strategy for success with Express:

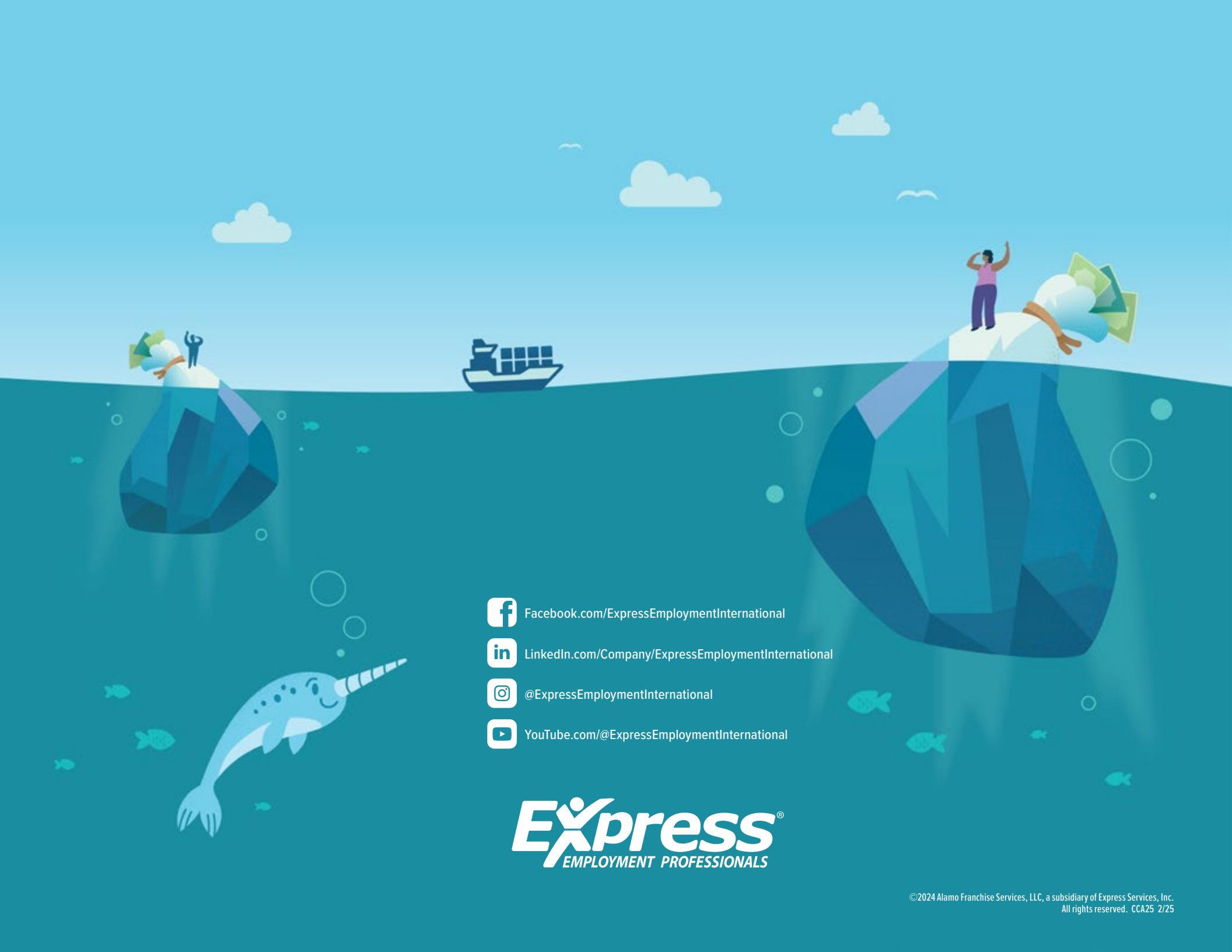
Express Employment Professionals streamlines the hiring process to help save you time and money. Whether you're working through unexpected turnover, responding to a spike in demand, or filling key skill gaps within your team, we'll work together to build a strategy to help ensure your workforce has the talented people your business needs to maintain productivity and build success.



No two workforces are alike, so it's important to work with a staffing provider that goes beyond simply making a placement and seeks to understand your specific hiring needs. An industry leader for more than four decades, Express strives to build long-lasting relationships with the local client companies we serve.

Contact Express today!

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