



ORGANIZATION RESOURCE DRAINS

***EMPLOYEE COST CONSIDERATIONS¹**

HIRING COSTS (appx. 11.63% of initial wages)

- ✓ Advertising and event costs
- ✓ Agency and recruiter fees (appx. 30% of 1st year's salary)
- ✓ Time and cost to process and fill
 - Screening, interviewing, testing, background checks, bonuses, relocation, travel/accommodations

BENEFITS (appx. 30-50% over wages)

- ✓ Insurance: medical, disability, workers' comp
- ✓ Taxes: Federal, state, payroll, unemployment
- ✓ Plans: retirement, savings, profit sharing, incentives
- ✓ Non-working paid: vacation, holiday, sick, leaves, off-site, non-productive time appointments/obligations,

MAINTAINING AND SUSTAINING

- ✓ Overhead - equipment and services (computer, furniture, space, supplies, phone, internet)
- ✓ ROI = human capital investment optimization
 - motivation, training, development effectiveness
- ✓ Value-add = human investment deployment
 - skill, knowledge and performance
- ✓ Turnover, termination, reduction in force (inc. separation packages)

¹ EMA (Employment Management Association) and SHRM (Society of Human Resource Management) 2002 CpH (Cost-per-Hire) Staffing Metrics Survey