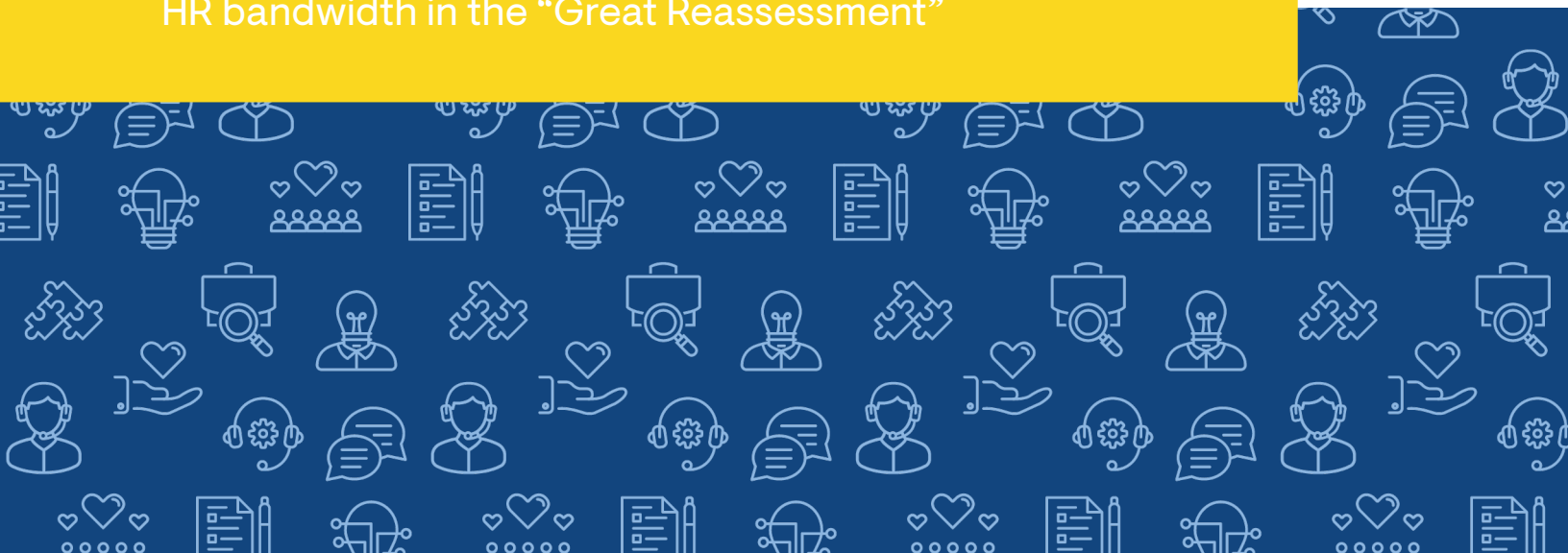




# The Deep Costs of Hiring

How to boost retention, attract talent, and free up HR bandwidth in the “Great Reassessment”



## Shifting Priorities in 2022

Organizational culture is changing fast, and in many ways for the better. Managerial hierarchies are relaxing in favor of collaborative teamwork. A diverse global workforce runs wide and deep with exceptional – and now locatable – talent. Communication technologies attract otherwise unavailable pros, responsive to flexible worksites and hours.

Talented people want to work. They value their professional identities and skills. People also value their personal and family lives, and the upheavals of pandemic have become an urgent reminder to reclaim what matters.

As such, the “Great Resignation” of the COVID era is more migration than evacuation. Workers locked into limited or unfulfilling jobs during the pandemic are re-orienting. They seek a more meaningful integration of professional and personal pursuits.


An October 2021 Gallup poll reports that a full 48% of workers are actively looking for a new job, or seriously considering it – and the trend will not diminish soon.

Yes, it’s a job seekers’ market, but the takeaway is that unprecedented numbers of innovative, experienced, and super-skilled workers are on the move, eager to accept positions that invite and reward commitment.

This is great news for great employers: it means that the best organizations can attract – and keep – truly spectacular professionals. Astute employers are realizing the opportunity to hire previously sequestered talent.

But this new environment requires new strategies. Attracting the right swimmers in the talent pool means understanding the priorities of the talented – so much so that seeking, attracting, and matching first-class professionals to receptive employers has become a specialized industry itself.





Here's one simple reason talented professionals are disillusioned with business-as-usual employment: skilled workers are too often assigned time-consuming tasks that detract from their specialties. Yes, versatility is an asset, but an electrical engineer should be electrically engineering, not sitting on yet another corporate hiring committee. Professionals contribute most profitably in their professions.

Likewise, specialized organizations do best when they can focus on the services and goods they were designed to produce. Hospitals should be able to attend to health care. A gourmet gelato shop should be able to make and serve gelato. In a rapidly shifting market, perpetually seeking employees becomes a resource-draining pursuit of a receding goal post.

Recruiting processes have developed into a specialized, dynamic professional field, extending well beyond old-school HR departments. This era of change may be a crucial time for managers to consider the very real benefits of outsourcing recruitment and hiring.

RPO (Recruitment Process Outsourcing) and full-time recruiting providers understand the job. Recruiting organizations are structured to answer complex and shifting corporate needs, perpetually and in real time. Consider hiring recruiting specialists to do the recruiting – so the nurses can do the nursing, the engineers can do the engineering, and the chefs can do the chef-ing.

# The Deep Cost of Hiring

Your organization is designed to provide particular, specialized services or goods. Focus is all. Productivity is everything. Don't want to pay an external agency for recruitment and hiring? Think how much you're paying already – and very possibly losing – by delegating these perpetual tasks across your organization.

Even if your organization is large enough to house an HR department, your HR people have more than enough to do. Recruitment and hiring are only one part of the job; with new bandwidth from outsourced or tandem recruiting, they can subsume monitoring employee progress, managing benefits, mediating conflict, overseeing legal regulations, and supervising retirement processes. RPO providers work with in-house Human Resource specialists, helping you manage:

## Time and Effort Put to Hiring



**Sound Familiar?** Studies find *“ad-hoc HR managers”* (those whose full-time job is not HR, but they are nevertheless pulled into it) spend more than 13 hours a week on human resource responsibilities. With today's labor shortages, even a full-time administrative human resources (HR) professional may be spread thin.

## Skills Shortages Are Costing You

According to studies by PricewaterhouseCoopers, by 2030, the talent shortage and skills gap in the U.S. alone is expected to cost employers \$8.5 trillion.

If your organization is not an attractive place to work, it's bound to affect the quality of job applicants and industry reputation. Employers are under pressure to increase compensation and benefits, hone hiring strategies, attract ideal candidates, and better compete in the market.

# Managing Retention and Turnover

“Over one-third of newly hired employees quit within their first year. This not only creates a revolving door of employees burdening your talent acquisition team, it’s expensive. Studies show the time it takes to get a new employee productive can range from as little as eight months to two years.” —*The Work Institute*

## Soft Costs of Turnover

- Delayed projects
- Use of internal resources to source new hire
- Reputation management
- Quality of products and services

## Hard Costs of Turnover

- Advertising
- Recruiting fees
- Drug tests
- Paid training programs

According to Gallup.com:

- In 2017, the annual overall turnover rate in the U.S. was 26.3% per the Bureau of Labor Statistics. This turnover rate increased to over 50% in 2020.
- Replacement costs can range from 50% to 200% of the employee’s salary—a conservative estimate.
- A 100-person organization offering an average salary of \$50,000 could have turnover and replacement costs of approximately \$660,000 to \$2.6 million per year.



## ...Not to Mention the Physical and Emotional Costs

Whether a former employee's decision to leave was preventable or not, hiring any new employee incurs new stresses. And if you're working from the ground in a high-growth startup, hiring new employees may feel like shooting from the hip.

High turnover affects a team's morale, stress, and organization. It's one of the top contributors to misalignment, which in turn takes a toll on productivity and profitability.

From a recruitment perspective, the sustainability of human capital management boils down to a productive, mutually beneficial relationship with clients they are recruiting for. For both organizations to thrive, the process should be affordable, scalable, and highly responsive.

According to our experts, a desirable turnover rate for established organizations is around 10%, meaning employees are highly satisfied. Anywhere about the average of 18% indicates something is awry.

*Remember, team turnover is preventable, and long-term employees become advocates and representatives for your brand. Expert hiring and retention are your ultimate investment.*



## Recruit with Full Visibility

According to the Work Institute, 80% of turnover is attributable to bad hiring. The best way to improve the hiring process is to audit strategy and tracking in tandem with outsourced hiring and recruitment resources. Only a formal strategy is truly scalable.

Areas to improve in management of human capital:

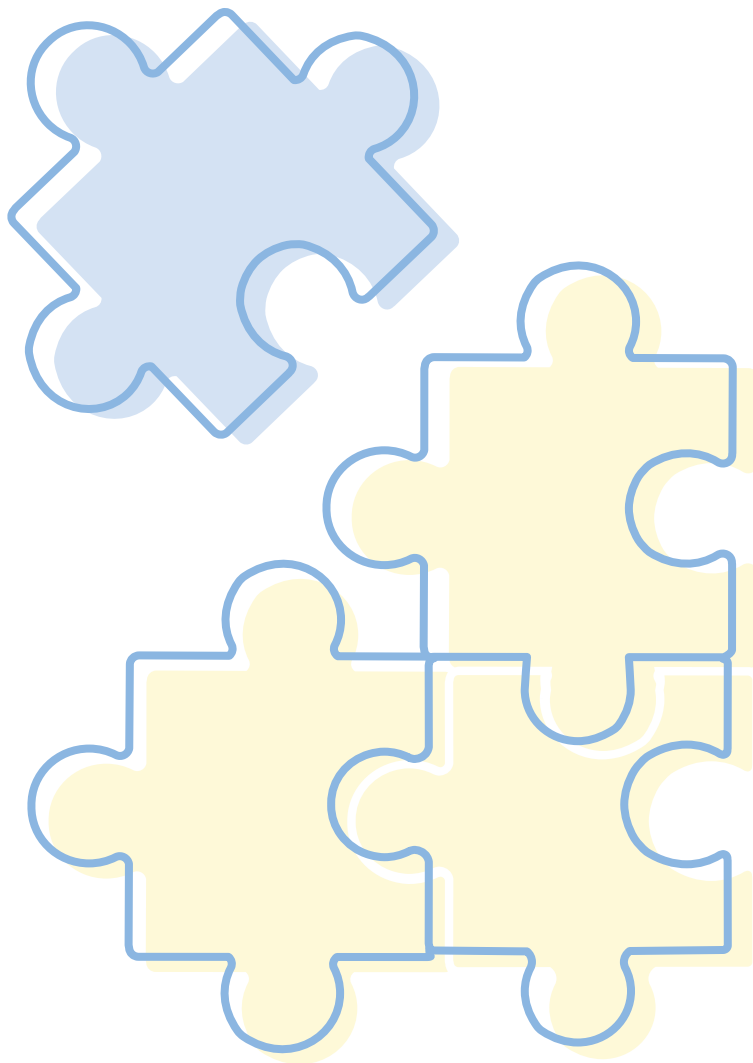
- Asking recent recruits about their hiring experience
- Tracking job ad performance
- Communicating an organization's unique value proposition and measuring reception
- Gauging how attractive employment opportunities are to applicants
- Improving timelines and pacing of the recruitment process
- Measuring overall effectiveness of the organization's recruitment process
- Leveraging outside tools and agencies to pool applicants, then using internal teams to address niche concerns and ultimately make the final hire
- Allocating standard and high-volume hires to outside agencies
- Looking to executive recruitment firms for specialized C-roles

Investing in recruitment and hiring efforts is an easy solution, giving actionable insights into why your organization may not be attracting and retaining high-value employees.

## Outsourcing Salary Negotiation

Expert salary negotiation is key to attracting “value add” candidates, but so is dialing in a new candidate's desired salary range to your new hire budget.

While fee-based recruiters may be incentivized to pad a new candidate's salary, hourly-rate recruiters have objective distance. They're motivated to liaison between candidate and client, source efficiently, and find candidates that match a client's desired salary range—no 25% commission required.





# Recruiting Reimagined

IsoTalent is a job recruitment firm based in the Silicon Slopes area of Lehi, Utah. We help high-growth startups, executive teams, hiring managers, and HR professionals find the talent they need at flexible and affordable pricing. Our low-cost hourly model saves organizations thousands of dollars compared to traditional hiring agencies. Our recruiting services help clients save an average of 40% to 70% to place high-volume, standard, technical, and executive roles.

## Hourly-Rate Recruiting

Standard Role

**\$110/hour**

Technologist Role

**\$125/hour**

Executive Role

**\$200/hour**

*High-volume placements are billed at the standard rate and typically fill 10x faster than standard averages.*

## Contact

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## Talk to an expert recruiter

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