

THE COST OF VACANT POSITIONS

Trickle-down costs affect your whole company



PERSONNEL COSTS:

Given that the average manager should earn you 3-5 times their salary...

R&D Director salary:	₱120,000
Earning Loss per day:	₱1,400 - ₱2,300
6-Month Loss:	₱300,000

TEAM COSTS:

- ⌘ Leadership, idea generation, and skills are lost
- ⌘ There is an increased chance of others leaving
- ⌘ Team cohesiveness is disrupted
- ⌘ There is an increased likelihood that poorly-performing team members will be retained
- ⌘ If team leader is "vacant," then the time-to-productivity is likely to be negatively impacted



REAL COSTS:

- ⌘ Delayed revenue resulting from increased Time-To-Market (TTM)
- ⌘ Products or services that could never be introduced
- ⌘ Underutilized equipment and corporate assets
- ⌘ Decreased output from employees performing unfamiliar jobs



MANAGEMENT COSTS:

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| ⌘ Less manager time with employees |
| ⌘ Frustration over less corporate support |
| ⌘ Higher middle-management turnover |
| ⌘ Lost opportunities by managers with fill-in duties |
| ⌘ Multiplier effect on productivity and recruitment of others |



PERSONNEL COSTS:

- ⌘ Is-the-company-doing-well gossip
- ⌘ Greater incidences of illness, absenteeism, and tardiness
- ⌘ Less focus on employee growth, because they are off in a training session
- ⌘ Increased frustration
- ⌘ Less quality work; increased error rates
- ⌘ Lower chance of employees reaching individual goals
- ⌘ Higher turnover
- ⌘ Reduced creativity and innovative thinking



COMPETITIVE ADVANTAGE COSTS:

- ⌘ Analysts perceive you as weak
- ⌘ Competitors see you as vulnerable
- ⌘ Prospective employers see your company is in trouble, especially if in high-end positions



CUSTOMER COSTS:

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| ⌘ Loss of sales volume: unfilled orders and reduced service quality |
| ⌘ Customer attrition: product development delays, new product launch delays, and false impressions |

