



EXECUTIVE WHITE PAPER

## The Cost of Vacant Positions

Trickle-down costs affect your whole company





## Personnel Costs

Employees who remain in your organization are hurt by vacancies. The added workload and higher stress levels can result in a number of problems:

- Sending a message that the company isn't performing well
- Greater incidences of illness, absenteeism, and tardiness
- No opportunity to focus on the growth of the current employees by sending them to development programs and training seminars
- Increased frustration
- Increased scrap and rework/error rates
- Less chance of employees reaching individual goals
- Higher turnover
- Reduced creativity and innovative thinking

## Team Costs

Open positions can also cost your work teams:

- Lost leadership, idea generation, and skills of the vacated person
- Increased chance that other members will leave
- Disruption in team cohesiveness
- Increased likelihood that poorly performing team members will be retained
- If the team leader is the "vacancy" then "time to productivity" is likely to be even more negatively impacted

## Management Costs

Managers in charge of departments with open positions must contend with a number of headaches:

- Less time to manage remaining employees
- Increased frustration over lack of corporate support
- Higher turnover in middle management (and often in senior management)
- Increased opportunity costs because managers have to spend valuable time performing fill-in duties
- Vacancies in management and team leader positions have a multiplier effect on productivity and the recruitment of others

## Customer Costs

Vacancies in critical areas can affect customer satisfaction levels, sometimes with serious consequences:

- Loss of sales volume because of inability to fill orders
- Loss of sales volume because of reduced service quality
- Increased customer attrition due to:
- Delays in new product development and new product launches
- Increased customer perception that you are getting weak or do not care about their business

## Competitive Advantage Costs

Open positions can affect your ability to remain competitive in the marketplace:

- Sends a message to analysts that you are weak
- Sends a message to competitors that you are vulnerable
- Sends a message to prospective employees that the company is in trouble (this problem can be especially acute for highdemand positions)
- Vacancies can cause resources to be underutilized
- Erodes your corporate culture
- Vacancies at the CEO, CFO, CTO, and other top manager positions can have an adverse impact on financing and the willingness of others to partner with you



# ABOUT PATRICK ROPELLA



**Chairman & CEO,  
The Ropella Group**  
**Phone: 850-983-4997**  
**Email: ropella@ropella.com**  
**Website: www.ropella.com**



Ropella, with 25 years experience, is the leading executive search and consulting firm specializing in the chemical, consumer products, technology and energy industries.

We help many of the world's largest companies find, hire, develop and retain their most important people. We recruit globally in sales, marketing, R&D, and manufacturing, from middle management to the most senior executive levels. At Ropella, not only do we find great leaders, we can also help you build a stronger, more competitive, and more innovative team with our Leadership and Organizational Improvement consulting services.

Nothing is more important to your company's ability to create value than the right blend of talent. Call us today and put our people and our process to work for you.

Having dedicated his career to helping companies across the globe in sourcing, marketing to, assessing, recruiting, on-boarding, retaining, training and transforming top talent, Patrick Ropella has a global perspective on Executive Search and Talent Management.

He has worked across all roles and functions, cascading from the top levels of management to also placing apprentices coming straight out of college. Over the past 20+ years he has seen many individuals he's personally assisted make career transitions, become well trained leaders, join the C-suite at many of the world's largest corporations.

His experience within the global chemical industry as a dominant talent management leader allowed his firm, Ropella Group, to grow to the leading position it now holds with a wide variety of corporate clients with the chemical industry, transition to serving major consumer product companies, energy companies, Nano, Bio and other high technology companies.

Patrick has traveled extensively, meeting with middle level to C-level executives at the top 100 largest chemical and consumer product companies in the world, branding the "Ropella" name globally. He has successfully placed hundreds of senior level executives with top name companies, including but not limited to: DOW, DuPont, Exxon, Georgia Pacific, SONY, Anderson Windows, GE-Silicone, P&G, Clorox, Pfizer, BASF, PPG, Monsanto, Revlon, Baxter Labs, Sealy Mattress, Ciba Geigy, Johnson & Johnson, Shell, Sherwin Williams Paints, New Balance Tennis Shoes, and many more.

Patrick has written for a wide variety of trade publications, newspapers and business journals on subjects related to the topics covered in The Right Hire. His writings have also been published in Germany, Italy, Latin America and Asia.

Patrick and Robbie reside in Milton, FL. with sons Richard and Robert nearby.

## AUTHOR OF

- ▶ The Right Hire
- ▶ The Right Fit
- ▶ The Right Team
- ▶ Over 50 published articles



Patrick Ropella's **SMART Talent Management System** focuses on training Human Resource leaders and Hiring Managers based on the core Talent Management topics of:

**S**ourcing, **M**arketing, **A**ssessing, **R**ecruiting, **R**etention, **T**raining, and **T**ransformation.