

ROI OF TALENT MANAGEMENT

Below are eye-opening statistics that highlight the business impact of investing in each of these three HR functional areas: recruiting, onboarding and learning, and performance management.

RECRUITING



The U.S. Department of Labor estimates that the average cost of a bad hiring decision can equal **30% OF THE INDIVIDUAL'S FIRST-YEAR POTENTIAL EARNINGS**.



BAD HIRING DECISIONS



As much as **80% OF EMPLOYEE TURNOVER** is due to bad hiring decisions.²

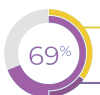


and turnover costs **150% OF THE SALARY OF THE EMPLOYEE** who needs to be replaced.³



For high level or highly specialized employees **THAT FIGURE JUMPS TO 400%!**⁴

69% of employers reported that their companies have been **ADVERSELY AFFECTED BY A BAD HIRE** in the past year.



with **41%** of those businesses estimating the cost to be **OVER \$25,000**.

and **26%** reporting a bad hire cost them **MORE THAN \$50,000**.

ONBOARDING & LEARNING



In a study by Bersin, companies with high-impact learning programs generated, on average, **THREE TIMES HIGHER PROFIT GROWTH** than their peers.⁵

COMPANIES THAT INVEST \$1,500 ON TRAINING PER EMPLOYEE:



see an average of **24% HIGHER GROSS PROFIT** margins.



and **218% HIGHER REVENUE PER EMPLOYEE** than companies who invest less.⁶

In a study of more than 3,100 U.S. workplaces,

+10%
A **10% INCREASE** in educational development



+8.6%
produced an **8.6% GAIN IN PRODUCTIVITY**⁷



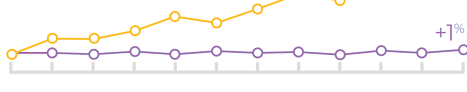
Lost productivity due to new hire **LEARNING CURVES CAN COST FROM 1% TO 2.5%** of total business revenues.⁸



Increasing employee engagement investments by 10% can **INCREASE PROFITS BY \$2,400 PER EMPLOYEE**, per year.⁹

PERFORMANCE MANAGEMENT

Over an 11-year time frame, companies that had a **PERFORMANCE MANAGEMENT CULTURE GREW NET INCOME BY 756%**, versus a 1% growth over the same period for those that did not.¹⁰



Departments with managers who receive feedback on their strengths **ACHIEVE 8.9% GREATER PROFITABILITY**.¹¹



CPOs SPEND AT LEAST 40% OF THEIR TIME on business performance management, but they estimate that **30% OF THEIR COMPANY'S PERFORMANCE POTENTIAL IS LOST** due to ineffective performance management processes and behaviors.¹²



Companies that implement regular employee feedback have **TURNOVER RATES THAT ARE 14.9% LOWER** than for employees who receive no feedback.¹³

THE NUMBERS DON'T LIE

Effective talent management simply makes cold, hard business sense. By including projected ROI – and perhaps even some of these statistics above – when pitching your proposed talent programs, you will be well on your way to making a more persuasive business case to the C-suite.

cTalent talent puts talent experience at the center of our solutions. Our integrated talent management technology helps global-minded enterprises to attract, engage, develop & elevate their top talents in China & Asia markets.

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