The high cost of open positions and how to fill them faster

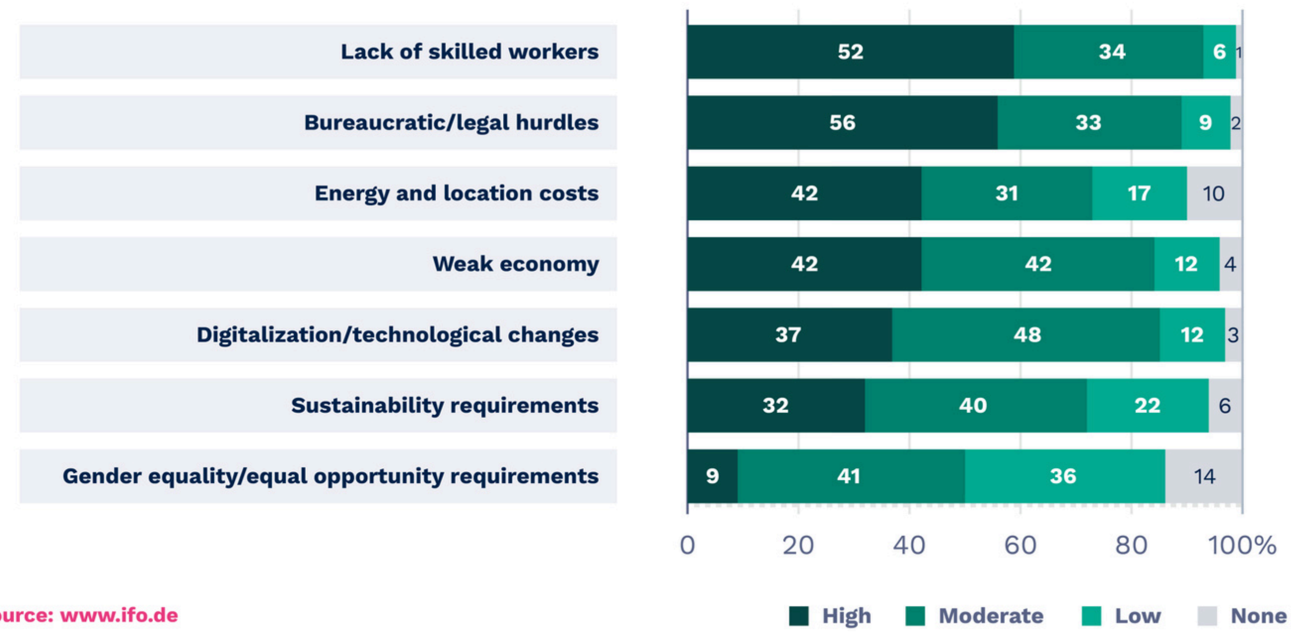
The struggle for finding talent is real, and it's intensifying. Across the globe, HR leaders are grappling with a critical issue: a severe shortage of skilled labour.

This isn't just anecdotal. A recent Q4/2023 survey by Randstad and the prestigious German economic institute IFO found that the lack of skilled workers is the **single biggest factor shaping HR strategies today.**

The numbers are staggering. By 2030, a **staggering 85 million jobs** worldwide are projected to remain unfilled, representing a **whopping $8.5 trillion in lost annual revenue.**

However, this isn't just a problem, it's an opportunity. Companies that can develop innovative strategies to attract and retain talent will be the ones who thrive in the years to come.

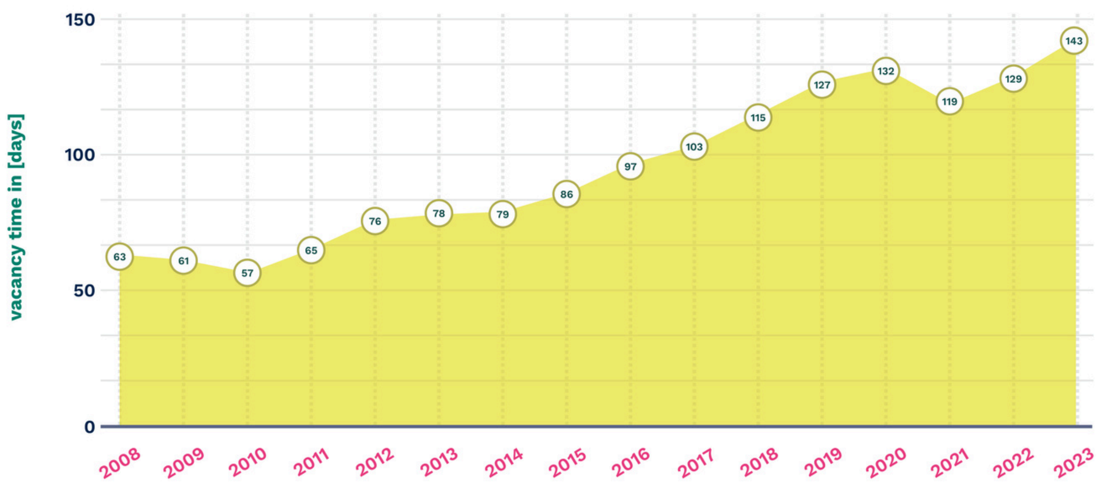
Influence of the Following Challenges on the HR Strategy of Companies



Data source: www.ifo.de

The effect of the intensifying labour shortage can easily be seen by the average vacancy times, meaning the time a position is opened until the contractual start date of the new employee. This average vacancy time in Germany has almost doubled in the last ten years.

Average vacancy times for jobs in Germany



Data source: Agentur für Arbeit

The high cost of empty seats: Why you need a global hiring strategy

There is a simple connection here, everyone easily understands: If you take double the time to fill your open positions, your costs for those open positions are also double the amount.

So how much are the costs of an open position?

Let's say a company has on their job board 25 open positions. Out of those, 10 can be done remotely.

Let's look at a company from the German tech sector and the average salary for those positions is around 60,000 euros per year. With an average vacancy time of for example 100 days, the customer has total vacancy costs of:

100 [days] x 10 [jobs] x 60,000/365 [salary per day] x 2 [productivity factor] = 328,767 euros

How much quicker do you think the customer will be able to fill those positions, if they look outside their country borders and apply a global hiring strategy?

If they reduce the time to fill those positions by **30%**, they save **98,630 euros**

If they reduce the time to fill those positions by **40%**, they save **131,507 euros**

If they reduce the time to fill those positions by **50%**, they save **164,384 euros**

There is no reliable data on how much quicker you can hire talent if you hire abroad, but just think about how much you can even save with the conservative 30% assumption.

Each day the customer accepts the status quo as it is, they lose an additional 3,288 euros for their 10 open positions. There are plenty of reasons to change this as soon as possible.

To be the best, you need the best

But limiting your talent search to your backyard makes finding top performers difficult. Take blockchain developers, for instance. How much time and effort would it take to find someone exceptional locally?

Now imagine this: you can find that same talent, **regardless of location**. Your team instantly benefits from a wider range of expertise and perspectives.

Table 1: Blockchain (web3) developers worldwide by country (absolute numbers)

No.	Country	Blockchain	Ethereum	Hyperledger	Solidity	NFT	Web3 & Web3.js	Country Population
1	United States of America	6,493	1,545	280	1,902	1,077	1,031	331,002,651
2	India	5,469	1,915	660	2,286	657	979	1,380,004,385
3	United Kingdom of Greaat Britain	1,459	274	58	317	162	144	67,886,011
4	Canada	1,229	354	64	407	231	245	37,742,154
5	Pakistan	1,132	423	73	541	270	269	220,892,340
6	France	1,057	233	59	349	185	121	65,273,511
7	Nigeria	940	181	16	296	119	135	206,139,589
8	Vietnam	866	171	27	327	117	96	97,338,579
9	Germany	862	205	63	223	69	84	83,783,942
10	Spain	791	209	79	273	101	103	46,754,778
11	No.	690	103	20	237	81	87	84,339,067
12	Singapore	657	145	24	192	112	86	5,850,342
13	Italy	647	95	19	145	84	59	60,461,826
14	China	581	99	17	115	60	57	1,439,323,776
15	Netherlands	570	95	31	110	44	33	17,134,872

Data source: www.dappros.com

The power of a global workforce

A global hiring strategy means embracing remote work, but the rewards are undeniable. You gain access to a talent pool **10-20 times larger** than your local market.

The competitive edge

Think about your competition. What if they're already leveraging a global workforce? Take Cardano, a leading German crypto company. They don't limit themselves to local talent, they hire from **15 countries**, without needing a physical presence in each one.

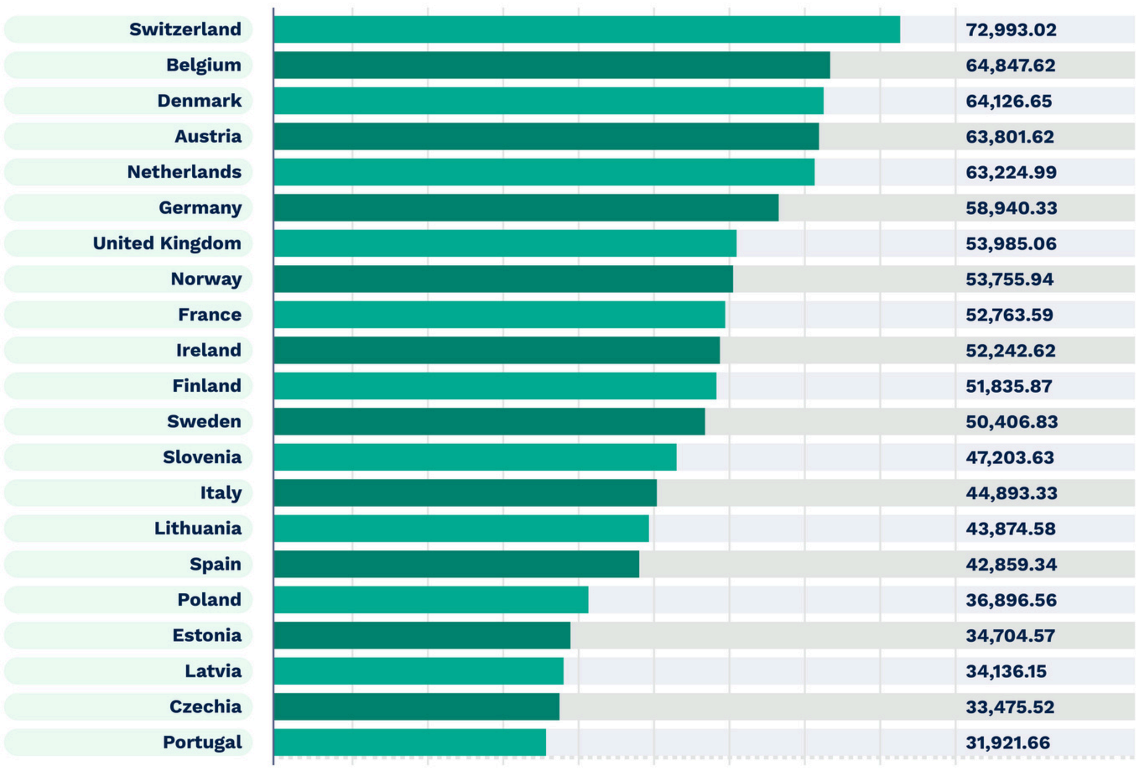
Can you compete with Cardano if you restrict yourself to your local market? The answer is clear. Embrace the possibilities of global hiring, and gain a **significant competitive advantage.** Companies like WorkMotion can help you unlock this potential.

Optimising costs, expanding your reach: The benefits of global hiring

Hiring internationally offers several advantages beyond talent acquisition. In many core sales markets, companies can find skilled professionals at competitive wage rates compared to their home countries. This can contribute to overall cost optimization strategies.

However, it's crucial to prioritise ethical practices. WorkMotion ensures fair compensation that aligns with local standards and fosters a positive work environment for all employees, regardless of location.

Let’s just look at wage levels inside the European Union:



Data source: Statista

So why hire globally now?

The shortage of talent is getting worse, and open positions are draining your business. Finding the perfect fit can be a struggle within your local market. But what if you could tap into a wider pool while achieving **significant cost savings?**

WorkMotion helps companies like yours recruit top talent in countries like Spain, Portugal, and Italy. These regions offer exceptional skills and a strong work ethic, often at **competitive wage rates** compared to your home country. This can lead to **payroll reductions of up to 50%** for certain positions – all while attracting exceptional talent.

Global hiring for HR Leaders

This approach aligns perfectly with today's HR priorities. A recent study found that **83% of Chief HR Officers (CHROs) are prioritising cost optimization.** WorkMotion empowers you to achieve both: **hire the best and optimise your HR budget.**

Other benefits of hiring employees abroad

Accelerating market expansion

In today's interconnected business world, expanding into new markets is essential for growth. By hiring employees abroad, SMEs can efficiently test and enter new regions without the significant upfront investment of establishing a local entity. This agile approach allows businesses to capitalise on opportunities quickly and effectively.

Optimising talent retention

The tight labour market and increasing prevalence of remote work have made retaining top talent a complex challenge. When valued employees relocate, WorkMotion provides a solution to maintain employment continuity. By avoiding the substantial costs associated with employee turnover—often exceeding 150% of the departing employee's salary—companies can protect their investments in human capital and ensure business continuity. Additionally, our platform helps mitigate the risks of misclassification when engaging international freelancers, providing HR teams with greater peace of mind.

Why you should consider WorkMotion to hire abroad

Full cost transparency

You'll never have to wonder how much hiring an employee abroad will cost you. With our Employment Cost Calculator, you will receive a breakdown of the exact amount a potential hire will cost in a specific country.

Safe & fast onboarding

It doesn't matter if you're aware of local labour laws in your employee's country. We can enable you to instantly generate an employment contract and hire fast—in over 160 countries

German compliance

Data security is at the heart of everything we build. All our data is stored on German servers complying to all GDPR rules. We make sure all the data our customers trust us with is 100% secure.

"Finding the right EoR partner is not easy and without asking the right questions, you might end up with the wrong one. But if you get it right, your HR strategy can be taken to the next level."

- Jan Boeckstiegel, VP of Global Infrastructure at WorkMotion

Would you like to know more about our solutions and how they can help you fill your open positions faster? [Talk to our specialists today.]