



The Difference Between Household Managers and Personal Assistants – and Why it Matters.

A prominent family, with homes in Baltimore, Vienna, and a ranch in west Texas, struggles endlessly with frenzied turnover of household staff. Their frustrating and time consuming pilgrimages to local and national staffing agencies have only resulted in poorly matched employees and impotent hiring policies. Over a 5 year period, the family has hired 11 Personal Assistants and 4 Household Managers, costing them over \$2mm in agency fees and wasted employee salaries.

HOW DOES THIS HAPPEN TO A WELL EDUCATED AND CONNECTED FAMILY?

Within the specialized field of Private Service, there are over 52 distinct job titles and skill sets for household and property employees. It is common for affluent household employers to be completely unaware of the subtle but highly important differences from title to title and skill to skill.

Employers seeking staff may easily refer to an elder caregiver as a personal assistant, or a babysitter as a nanny. More frequently, employers will refer to a Personal Assistant as a Household Manager; it is a common mistake to make. Herein lies the fundamental problem – employers must be properly educated about the unique and varied skill sets per specific job title when hiring new employees.

Case in point: try using the term ‘Engineer’ and apply no differences between the education or skill levels of a chemical or civil engineer. Using this analogy, we know that hiring the wrong person would be a costly and ridiculous mistake.

It is exactly the same situation within the field of household and property employees. A less than scrupulous staffing agency can easily use this to its advantage, resulting in reoccurring agency fees and a long list of terminated employees.

REASONS FOR HIGH TURNOVER OF HOUSEHOLD AND PROPERTY STAFF

- Staffing agencies encourage employers to hire quickly, sacrificing a quality match.
- Background evaluations are completed after the employee is hired, rather than before.
- Employers often hire based on likability and not skill.
- Staffing agency fees are based on employee salary percentages; turnover is caused by inflated employee salaries that do not reflect employees’ actual skill level.
- Poor personality matches, which are critically important due to the intimacy of the work environment.

PERSONAL ASSISTANT

# Hired	Salary/ Benefits	Agency Fee Total (35% of first year salary)	Total
11	\$1,045,000 *	\$365,750	\$1,410,750

* Based on the average salary + benefits for a Personal Assistant: \$95,000.00

HOUSEHOLD MANAGER

# Hired	Salary/ Benefits	Agency Fee Total (40% of first year salary)	Total
4	\$500,000 †	\$200,000	\$700,000

† Based on the average salary + benefits for a Household Manager: \$125,000.00

TOTAL

# Hired	Total Salary/Benefits	Total Agency Fees	Total Paid
15	\$1,545,000	\$565,750	\$2,110,750

This graphic illustrates the total cost of bad hiring practices to the profiled family.



UNFORTUNATELY, THE FAMILY WAS UNAWARE OF 5 CRITICAL FACTORS AFFECTING THEIR HIRING DECISIONS.

A STAFFING AGENCY'S BUSINESS MODEL IS SET ON A PERCENTAGE OF SALARY. An inflated salary means a higher fee. This is a direct conflict of interest, since the agency is setting the salary and the fee. Agencies' fees range from 25% to over 45% of the first year's salary. Fees are collected 90 days after the hire, even if the employee only works for 90 days.

STAFFING AGENCIES PROMOTE QUICK HIRES; this policy does not allow time for skill and personality testing. The testing of candidates is imperative to validate their skills and to identify any potential personality obstacles for the employer.

AGENCIES GENERALLY DO NOT CONDUCT THOROUGH BACKGROUND INVESTIGATIONS prior to personal introductions to families, as a business cost savings to the agency. Background investigations on professional and personal history and references are crucial to validating the candidate's potential.

ETHONOMICS TESTING ENSURES THE SELECTION OF REPUTABLE AND LONG-TERM STAFF, but is not typically used by staffing agencies. Ethonomics Testing is the measurement of the candidate's values, character, skill set, comprehension and scruples, to clearly identify the candidate's match for the position and family.

STAFFING AGENCIES DO NOT PROVIDE THE HIGH LEVEL OF CUSTOMER SERVICE REQUIRED for an Ultra High Net Worth client. A one-on-one relationship with a subject matter expert is vital to ensure a high success rate and superb customer service for the client and their family.



FACTORS AFFECTING THE SALARY RANGES OF HOUSEHOLD STAFF

- Cost of living in different geographic areas.
- Demands of the job, including work schedule expectations and how many skill sets are required to complete the requests of the employer.
- Location of the job, which could mean hiring from a smaller pool of qualified applicants.
- Management skills and temperament of the employer.
- Level of care provided by employees.

For more information about best practices for hiring and staff management, contact Teresa Leigh Household Risk Management at info@teresaleigh.com.



USING THE WRONG JOB TITLE CAN LEAD TO AN UNSUCCESSFUL HIRE.

Most employers naïvely refer to Personal Assistants and Household Managers as synonymous job titles, but in truth, they both require very different sets of specialized job skills.

A Personal Assistant's primary job is to assist the homeowners in daily business and personal tasks. Specialized skill sets required by Personal Assistants are interpersonal communication, organization, professional correspondence, ability to multitask, and prioritize assignments.

A Household Manager's primary job is to manage the household, household systems and household staff as the homeowners' representative.

A Household Manager is also responsible for providing professional interpersonal communication between subcontractors and vendors, in strict coordination with the homeowners' hectic schedule.

Specialized skill sets required by Household Managers are interpersonal communication, managerial experience, and creation and maintenance of cost-efficient household management systems: HVAC, Security, IT, etc.

Household Managers must also have a high level of professionalism and understanding of boundaries and business protocol.

RESPONSIBILITIES OF PERSONAL ASSISTANTS VS. HOUSEHOLD MANAGERS

