

What Are The Costs Of Hiring?

HRI recognizes this concern and appreciates the need for companies to manage the bottom line hard costs and determine of outsourcing the recruiting and screening process makes financial sense for them.

The following tool was designed to give you the opportunity to analyze the costs of hiring specific to your company. Although initially the cost of using a recruiting firm appears to be high, the actual costs are often less expensive or equal to those incurred by companies when they hire on their own. A few key considerations are:

- Companies do not hire on a day-to-day basis and often find the process time consuming and frustrating
- Recruiting staff is not a revenue producing activity and time spent takes away from producing revenue

Responsibilities	Hours	Example \$25 per hour	Your Time
Write advertising copy and placement	1	\$25.00	
Cost of Advertisement			
Monster		\$385.00	
Career Builder		\$419.00	
Newspaper print and online		\$383.00	
Caigslist		\$25.00	
Review Resumes (no phone calls)	21	\$525.00	
250 responses per ad @5 minutes per resume (assuming one ad placement)			
Prepare short list of acceptable candidates	2.5	\$62.50	
Telephone pre-screening			
8 calls @ 15 minutes each	2	\$50.00	
Telephone to arrange 6 interviews	0.75	\$18.75	
Prepare interview questions	0.5	\$12.50	
Interviews			
6 @30 minutes	3	\$75.00	
Testing	3	\$75.00	
Schedule second interviews	0.5	\$12.50	
Check refernces	2	\$50.00	
Interview final 2 - 3 candidates at 30 minutes each	1.5	\$37.50	
Miscellaneous time expensed	1	\$25.00	
Telephone calls to all interviewed candidates	1.5	\$37.50	
Revenue Loss *			
Total hours and expense	40.25	\$2,218	

*Revenue Loss: if the hiring manage is also a revenue generator for the company, lost revenue during the hiring process must be calculated and added to the final cost of hiring.

Total hours x average # of sales lost x average value of sale = Revenue loss

Additional considerations:

EEOC compliance – if hiring managers and internal company recruiters do not have training in human resource laws and compliance, seemingly innocent interview questions can be violate EEOC laws and open your company to risk of law suits.

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I-9 verification – verifying candidates are legally eligible for US employment and all regulations are administered. Violations can be costly.

Turnover and Retraining – Turnover is costly! Double the cost of hiring above and add the expense for training based on the hours of training times the salary of the supervisor.

Unemployment and L&I risks – L&I risks are higher during the probationary period since the employee is not fully safety trained for your environment. In addition if the employee does not work out the company carries the burden of unemployment for this employee.

Advantages of Partnering with Human Resources, Inc.

Maintain revenue, minimize recruiting process expense: Partnering with HRI's team of professional recruiters provide you with a full recruiting staff and expertise to source, screen and present you with the best candidates for your position and company. HRI allows you to find the best candidate and then pay only for the placement and not the process.

100% Direct Hire Placement Guarantee: If you do not meet the right candidate, you do not make a hiring offer and no fees are due. When you do make the choice to hire, our direct hire placement minimizes your risk by offering a 60 day money back guarantee!

Minimize risk and increase retention: Our contract to hire option offers you the option to try the candidate for 480 hours prior to making the final offer. This ensures you know the candidate will be a good fit and that you are a good fit for that employee.

We would be happy to meet with you to discuss the wide range of benefits that result in a partnership between HRI and your company. Contact a consultant today, 425-228-2289.