

## The Hidden Costs of Hiring



Hiring is expensive. The costs of hiring a new employee extend far beyond job posting fees and recruiter salaries. Deloitte estimates that the average cost of losing an employee ranges from tens of thousands of dollars to between 150 and 200% of that employee's annual salary.<sup>1</sup> That means replacing an employee with a \$100,000 annual salary could potentially cost your company up to \$200,000. And that estimate may not even include losses due to productivity drops from employee transitions, the opportunity cost of time invested in hiring, or the impact turnover can have on your team.

This worksheet can help you benchmark your average annual hiring cost and uncover the hidden costs of hiring you may not have considered.

### Employer Branding & Ongoing Recruitment:

Item	Description	Cost Estimate Per Position
Employer branding costs	Costs related to managing your employer brand, including PR efforts, responding to employer reviews, paid review site memberships/features, etc.	\$
Careers webpage/site costs	Costs related to the maintenance/updating of your careers webpage or site, including consultant fees, hosting fees, domain purchasing, etc.	\$
Technology costs	Cost of any technologies you use to facilitate hiring, including applicant tracking systems or databases, video conferencing services, etc.	\$
Job fair fees	Costs to participate in job fairs and costs of supplies, such as signage, giveaway items, etc.	\$
<b>Total Cost of Employer Branding &amp; Ongoing Recruitment:</b>		<b>Box A</b> (total from above)

### Needs Development:

Item	Description	Cost Estimate Per Position
Costs of terminations	Salaries of HR employees or managers involved in terminations for time spent documenting performance, preparing termination documentation, completing follow-up tasks, etc.	\$
Legal costs related to terminations	Cost to engage legal representation or advice, when necessary	\$
Staffing level needs assessment analysis	Salaries of anyone involved in assessing hiring needs or cost of engaging an external consultant	\$
<b>Total Cost of Needs Development:</b>		<b>Box B</b> (total from above)

## Finding Candidates:

Item	Description	Cost Estimate Per Position
Coverage costs	Costs of covering a vacant position, including the cost of outsourced tasks, temporary help, or impact of lost productivity of other employees filling in to cover duties	\$
Job ad & posting fees	Costs related to posting job ads on job boards/newspapers/etc.	\$
Travel expenses for interviewees & staff	Flight costs/mileage reimbursement/accommodations/etc. for staff or candidates traveling to interviews or hiring events	\$
Recruiter salary and benefits	Whether or not you have an internal person or team focused on recruitment, you are still paying your team to fulfill recruitment functions like job post writing, outreach to applicants, etc.	\$
Interviewer(s) and resume reviewer(s) salary and benefits	Costs of salaries/benefits of anyone involved in reviewing resumes, scheduling interviews, interviewing candidates, communicating with candidates, and developing job offers.	\$
Careers webpage/site costs	Rewards paid out to employees who refer friends	\$
Eligibility to work assessments	Costs of background checks, skills assessments, drug screening, previous employment verification, etc.	\$
<b>Total Cost of Finding Candidates:</b>		<b>Box C</b> (total from above)

## New Hire Onboarding:

Item	Description	Cost Estimate Per Position
Employee referral bonuses	Rewards paid out to employees who refer friends	\$
New hire bonuses and relocation	Direct costs of covering relocation or paying out new hire bonuses	\$
New hire training	Costs of salary/benefits for trainers, direct training program costs, travel to/from training, etc.	\$
Recruiter salary and benefits	Whether or not you have an internal person or team focused on recruitment, you are still paying your team to fulfill recruitment functions like job post writing, outreach to applicants, etc.	\$
<b>Total Cost of New Hire Onboarding:</b>		<b>Box D</b> (total from above)

## Total Annual Hiring Costs

Add up all the costs above to estimate your total annual hiring costs:

$$\$ \underline{\hspace{2cm}} \times \underline{\hspace{2cm}} = \$ \underline{\hspace{2cm}}$$

(Total cost per position from above:  
Box A + Box B + Box C + Box D)

(Number of new hires each year)

(Total annual recruitment costs)

## Save with Staffing Services from Nelson Connects

Your Nelson Connects representative can discuss in detail how you can save on direct and indirect hiring costs by partnering with us. Contact us for more information and a quote customized for your specific needs.