

A	B	C	D	E	F	G	H	I	J	K	L	M
1	TRUE COST OF RECRUITING - CALCULATOR		e.g. Project Manager				SALARY: \$ 125,000.00				TOTAL COST: \$96,000.00	
2	<i>And why getting it wrong costs so much more than a simple recruitment placement fee!</i>		enter position name here				enter annual salary for this role here				estimated true cost of recruiting	
3	Instructions: This tool is designed to help you work out the real recruitment costs (including fixed costs, hidden costs and your time).											
4	Enter information only into the fields that are relevant to you and review the total costs. You will need to TAB between fields to edit.											
5												
6	Step 1 - What is the real cost of recruiting new staff members?											
7		Fixed Cost ¹	Hours Allocated ²	Hourly Rate ³	Sub Total		Running Total					
8	Job description development/update	\$0.00	4.0	\$75.00	\$300.00		\$300.00					
9	Job advert design	\$100.00	2.0	\$50.00	\$200.00		\$500.00					
10	Job advertising	\$300.00	1.0	\$50.00	\$350.00		\$850.00					
11	Recruitment agency (if fixed/flat rate) - <i>otherwise see Step 3</i>	\$0.00	0.0	\$0.00	\$0.00		\$850.00					
12	Dealing with inquiries	\$0.00	4.0	\$50.00	\$200.00		\$1,050.00					
13	Shortlisting	\$0.00	4.0	\$100.00	\$400.00		\$1,450.00					
14	Selection/interview process - first round	\$0.00	8.0	\$200.00	\$1,600.00		\$2,650.00					
15	Subsequent interviews - second and/or third rounds	\$0.00	8.0	\$200.00	\$1,600.00		\$3,050.00					
16	Job offer Administration and follow up with other candidates	\$0.00	3.0	\$50.00	\$150.00		\$3,200.00					
17	Medical assessment / Drug and alcohol testing	\$250.00	0.0	\$0.00	\$250.00		\$3,450.00					
18	Background check - academic, probity, bankruptcy etc.	\$250.00	0.0	\$0.00	\$250.00		\$3,700.00					
19	Licencing/worksite training requirements	\$1,500.00	0.0	\$0.00	\$1,500.00		\$5,200.00					
20	Employment contracts/legal fees	\$0.00	0.0	\$0.00	\$0.00		\$5,200.00					
21	Personal Protective Equipment &/or Uniform	\$500.00	0.0	\$0.00	\$500.00		\$5,700.00					
22	Training and development	\$1,500.00	10.0	\$100.00	\$2,500.00		\$8,200.00					
23	Tools/equipment	\$0.00	0.0	\$0.00	\$0.00		\$8,200.00					
24	Technology/communication/Mobile or desk phone	\$1,650.00	0.0	\$0.00	\$1,650.00		\$9,850.00					
25	Car	\$8,000.00	0.0	\$0.00	\$8,000.00		\$17,850.00					
26	Stationary/business cards	\$300.00	0.0	\$0.00	\$300.00		\$18,150.00					
27	Systems/procedures	\$0.00	0.0	\$0.00	\$0.00		\$18,150.00					
28	Induction	\$5,000.00	0.0	\$0.00	\$5,000.00		\$23,150.00					
29					Total Cost		\$23,150.00					
30	This is the total 'visible' costs in internally recruiting staff.											
31	To add the Hidden costs go to Step 2 below and then Step 3 above if you prefer to engage a professional recruiter:											
32												
33												
34	Step 2 - Identify the Hidden costs when someone resigns or is managed out due to poor performance											
35												
36												
37	Loss of corporate (product/process/service) knowledge	1		\$17,500.00								
38	Loss of productivity	1		\$12,500.00								
39	Negative impact of loss of employee on other staff	1		\$8,500.00								
40	Low morale	1		\$500.00								
41	Negative impact on employer brand	1		\$1,000.00								
42	Ability to attract new employees	1		\$5,000.00								
43	Time to fill the vacancy	1		\$3,000.00								
44	Skills shortages or mis-match	1		\$4,500.00								
45	Existing staff shouldering the work	0		\$0.00								
46	Other factors	0		\$0.00								
47	Other factors	0		\$0.00								
48	Other factors	0		\$0.00								
49	Overall Score:		8.00	\$52,500.00								
50												
51	Impact of hidden costs: Low impact, overall score 1-3, Medium impact 4-6, High impact 7+											
52												
53	If you would like to discuss how Alexander Porter Pty Ltd can assist in your next recruiting requirement to:											
54	a) minimise the risk of a poor hiring decision and b) source a shortlist of talented candidates to consider, please contact us.											
55												
56												
57	Office: Level 10, 50 Market St, Melbourne VIC 3000											
58	Postal: PO Box 120 Hampton VIC 3188											
59												

Step 3 - Recruitment Agent success fee

Recruitment success Fee (as %)	15.00	*
Annual Salary package for role	\$ 125,000.00	
Recruitment Agent Fee	\$ 18,750.00	**

* Adjust the % fee negotiated with Recruiter above
 ** Assumes includes standard 3 mth guarantee

Breakdown - True Cost of Recruiting staff

Hidden Costs	\$52,500.00
Pre employment	\$4,800.00
External Recruitment costs	\$18,750.00
Pre start	\$5,000.00
Pre operational	\$5,300.00
Capital Purchases	\$9,650.00

TOTAL: \$96,000.00

LEGEND:

¹ **Fixed costs** - these cannot be avoided but can be adjusted as appropriate.

² **Hours allocated** - can be in addition to Fixed cost (eg posting job ad) or can included collective hours of everyone involved, for example 4 interviews equals 8 hours due to HR (x1) and Manager (x1) involvement etc.

³ **Hourly cost** - this is the cost of the individual(s) undertaking the task. For example interviewing is HR (@\$50 ph) plus senior manager (@\$150 ph) giving combined hourly rate of \$200 for candidate interviewing.

⁴ **Hidden cost of Recruitment** - these can be adjusted as relevant but can be used to represent the true cost of a poor hiring decision.

⁵ **Estimated dollar value** -subjective figure but the cost of a poor hire has been calculated as being between 50% and 200% of the annual salary depending on seniority. Don't be surprised if hidden costs run to a very high value far outweighing actual costs incurred.

NOTE: the above list of factors to take into account is by no means exhaustive and many other steps/actions could be included.

