



Hospitality Recruitment Solutions

What does it cost to recruit in-house?

While the more visible costs such as recruiting, on boarding and orientation are well known it's often the hidden costs that most companies never take into consideration.

The table below assumes an internal management cost of \$50 per hour (Conservative figure). The following costs could be applied as a minimum to most recruitment scenarios although executive recruitment could equate to almost double:

Position Profile	Time to assess and determine the particular job specifications and profile	2 hours	\$100.00
Advertising	Usually requires at least one local newspaper advert and one on line advert as a minimum		\$1000.00
Advert Creation	Creating adverts and reviewing proofs and lodging	2 hours	\$100.00
Initial Screening of Applications	Assessment of 10-15 applications and initial phone screening (30 mins each application)	5 hours minimum	\$250.00
Interviews	1 hour with 8 potential candidates	8 hours	\$400.00
Reference Checking	Top 3 Candidates	2 Hours	\$100.00
Final Interviews	Top 2 candidates re-interviewed by management/second person	2 hours	\$100.00
Letters of Rejection	Typed and posted out	2 hours	\$100.00
Replacement Costs	Statistically 1 in 3 employees resign or are not suitable inside a 3 month period involving all costs again without any guarantee	Sum of Above	\$2150.00
		Total	\$4300.00

Note: the above does not include the provision for damage done to your employment brand by having your company name advertised looking to fill a vacancy. Candidates often associate employers that regularly advertise for vacancies as being known for high staff turnover and therefore are less inclined to apply for a position with such employers.

The above calculations do not highlight the loss of revenue in having the above resources directed away from their core business.