SECTION 13-1 Hiring New Employees

To fill openings in your business, you can either recruit new employees or pay an employment agency to locate a candidate for you. The cost of recruiting may include advertising fees; interviewing expenses, such as travel costs for job candidates; and hiring expenses, such as moving costs for new employees.

\[
\text{Total Recruiting Cost} = \text{Advertising Expenses} + \text{Interviewing Expenses} + \text{Hiring Expenses}
\]

Fill in the total recruiting costs in the table below.

<table>
<thead>
<tr>
<th>Position</th>
<th>Advertising Expenses</th>
<th>Interviewing Expenses</th>
<th>Hiring Expenses</th>
<th>Total Recruiting Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statistician</td>
<td>$212.50</td>
<td>$56.80</td>
<td>$3,952.00</td>
<td></td>
</tr>
<tr>
<td>Analyst</td>
<td>350.50</td>
<td>762.20</td>
<td>5,012.90</td>
<td></td>
</tr>
<tr>
<td>Instructor</td>
<td>615.84</td>
<td>8,262.48</td>
<td>7,467.97</td>
<td></td>
</tr>
<tr>
<td>Director</td>
<td>68.40</td>
<td>396.42</td>
<td>2,147.80</td>
<td></td>
</tr>
<tr>
<td>Accountant</td>
<td>253.82</td>
<td>910.48</td>
<td>4,697.80</td>
<td></td>
</tr>
</tbody>
</table>


Advertising Costs: $421.27
Interview Expenses: P. Drexel $85.25
L. Lindsay $94.60
Search Agency Fee: 15 percent of first year's annual salary

What was the total cost of recruiting Pete Drexel for this position?

7. To search for a new vice president, your company hired the Executive Placement Agency to locate candidates for the position. The agency's fee is 25 percent of the first year's salary, if you hire one of its candidates. You have also run advertisements in professional magazines for a total cost of $849.04. You interviewed 3 people:

Denise Hoffman
Applied through the agency
Travel Cost: $490

Omar Kalifa
Answered ad
Travel Cost: $104

Magen Hurit
Applied through the agency
Travel Cost: $229

You hired Magen Hurit at an annual salary of $44,600. Your company paid her moving expenses of $1,564.80, plus relocation expenses of $8,100. What was your total recruiting cost?

8. A major Midwestern university hired Executive Search Consultants to assist in finding a new president. The consultant's fee is a flat $68,000. Advertisements cost $3,160.96. The search committee brought 3 finalists to the campus for interviews.

Delmar Alfred
Transportation $410.25
Lodging and meals 118.80

June Day
Transportation $42.50
Lodging and meals 197.46

Leonides Reyes
Transportation $694.30
Lodging and meals 212.40

The university selects Delmar Alfred as its new president. Moving expenses of $914.40 plus relocation costs of $5,500 were paid by the university. What was the total recruiting cost?