



Response to Questions on the 2016 LOBs

Request By: Supervisor Herrity

Relevant LOB(s): LOB #29

Question: Provide five years of data on the Department of Human Resources cost per hire.

Response:

The table below provides cost per hire data using the ANSI/SHRM Cost-per-Hire American National Standard. The cost per hire below has been calculated by dividing external and internal recruitment costs of the Department of Human Resources (DHR) by the total number of hires. Examples of external costs include advertising and marketing, criminal background checks, and search firm fees. Internal costs include the salary, benefits, and operating expenses of Employment Division staff. The number of new hires fluctuates each year, and was impacted by the soft freeze on hiring at the beginning of the five-year period shown in the table.

Year	New Hires	Cost per Hire
FY 2016	3,486	\$594.73
FY 2015	3,353	\$617.13
FY 2014	3,379	\$587.86
FY 2013	3,200	\$630.16
FY 2012	1,215	\$1,067.71

However, there are other costs that are incurred by the hiring agency that are not included in the table above. For example, agency staff spend considerable amounts of time reviewing resumes and conducting interviews. In addition, executive or specialized position recruitments may require the use of executive search firms or limited relocation reimbursements. Additional expenses for public safety positions may include background checks with personal history verification as well as physical, psychological, polygraph, and written examinations.

The County's cost per hire as shown in the table is relatively low based on comparable information available from the Society for Human Resource Management (SHRM), as a 2016 benchmarking report cited the median cost per hire at \$2,000. However, the SHRM benchmarking data includes private sector firms which frequently use recruitment tools such as relocation packages, signing bonuses, referral bonuses, and stock options.