

**EXHIBIT 5.3**

**Example of a Recruitment Budget for 500 New Hires**

|                                   |  |
|-----------------------------------|--|
| <b>Administrative Expenses</b>    |  |
| Staff                             | 32,000                                   |
| Supplies                          | 45,000                                   |
| Equipment                         | 10,000                                   |
|                                   | <u>87,000</u>                            |
| <b>Recruiter Expenses</b>         |  |
| Salaries                          | 240,000                                  |
| Benefits                          | 96,000                                   |
| Expenses                          | 150,000                                  |
|                                   | <u>486,000</u>                           |
| <b>Candidate Expenses</b>         |  |
| Travel                            | 320,000                                  |
| Lodging                           | 295,000                                  |
| Fees                              | 50,000                                   |
| Relocation                        | 150,000                                  |
|                                   | <u>815,000</u>                           |
| <b>Total Recruitment Expenses</b> |  |
|                                   | 87,000 + 486,000 + 815,000 = \$1,388,000 |
| <b>Total Cost per Hire</b>        |  |
|                                   | \$1,388,000 / 500 new hires = \$2,776    |

the HR group. However, in organizations where HR is charged, business may not be as concerned about minimizing recruitment costs.

Once a budget is in place and the recruiting techniques are implemented, organization should take the additional step of assessing the effectiveness of various techniques. Applicant tracking systems make it possible to assess how many individuals are attracted and hired through each source. An applicant tracking system helps identify which recruiting sources lead applicants to the organization. For example, it is possible to determine how many candidates learned about job opening from media advertisements, the organization's website, career and job fairs, employee referrals, or other sources. It is also possible to determine how many candidates are hired from each source. From this information on the number of applicants and hires, coupled with budget figures, it is possible to calculate cost per applicant (total media cost divided by number of applicants) and cost per hire (total media cost divided by number of hires). Cost-effective marketing strategies can then become the focal part of the organization's recruiting strategy, and those that have lower returns on investment can be eliminated.