MEMORANDUM

To: Vice President, Human Resources

CC: HR Department

From: Meagan Frances Ayers, HR Specialist

Date: 26 October 2009

Re: Recruitment Budget Proposal

**PURPOSE**

The purpose of this memo is to suggest how the budget of $10,500 for recruitment should be allotted in the upcoming 2010 year; a decrease of $6,730 from the 2009 budget.

**2009 HISTORICAL COSTS**

SolarPower Corporation currently recruits via four sources including newspapers, referrals, job fairs and employment agencies. The following table shows how many retained employees (hired employees less employees who quit after their first year of employment) were found via each recruitment source and the subsequent costs of finding those employees.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Recruitment Source | | | |
|  | **Newspapers** | **Referrals** | **Job Fairs** | **Employment Agency** |
| Employees Retained | 3 | 8 | 2 | 1 |
| Total Cost | $6,540 | $2,700 | $725 | $7,265 |
| **Cost Per Employee Retained** | **$2,180** | **$338** | **$363** | **$7,265** |

**2010 SUGGESTED BUDGET**

The following has been created for the purpose of allotting the recruitment budget among the four recruitment sources utilized by the company for the 2010 year.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Recruitment Source | | | |
|  | **Newspapers** | **Referrals** | **Job Fairs** | **Employment Agency** |
| Total Percent Employees Retained | 21.43% | 57.14% | 14.29% | 7.14% |
| **PROPOSED BUDGET** | **$ 2,250** | **$ 6,000** | **$ 1,500** | **$ 750** |

Confidential

**EXPLANATION**

The following budget was determined by taking the percentage of total employees retained throughout the 2009 year by means of each recruitment source and applying those percentages to the proposed budget of $10,500 for the 2010 year.

Using this strategy, the money allotted for recruitment reflects the percentages of quality employees retained in 2009 to the budget for 2010 respectively. (For example: 21.34% of the total budget of $10,500 should go towards recruiting via newspapers which equates to $2,250 since the company found 21.43% of their quality employees via the newspaper during 2009).

This strategy will ensure that the money budgeted will go towards recruiting sources that are finding credible, reliable and quality employees in hopes of finding the highest abundance of quality employees for this upcoming 2010 year.