

Optimising Recruitment Strategies for Cost Efficiency!

HR Data Analysis for TedSquare Ltd.

*By Sylvanus
March 2025.*

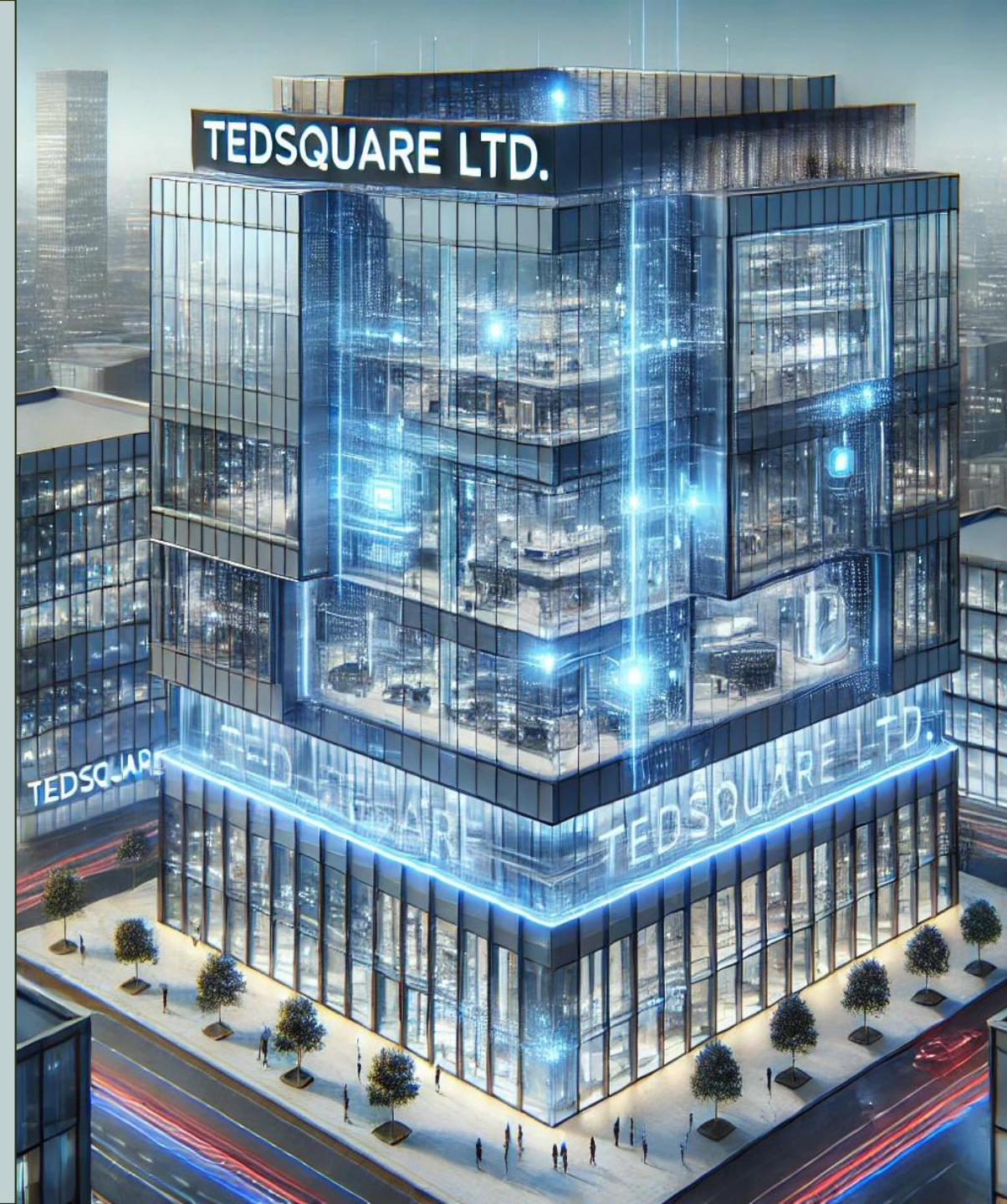


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Business Overview



TedSquare Ltd. is a technology company specialising in IT services. In response to financial challenges worsened by the pandemic, the company faces increased budget constraints. As part of its cost-optimisation strategy, TedSquare Ltd. is evaluating its recruitment process to identify the most efficient and cost-effective hiring methods, ensuring sustainable talent acquisition without compromising quality.

Business Problems and Objective

❑ **Key Business Challenges:**

- ◆ **Budget Constraints** – The financial impact of the pandemic has tightened budgets, requiring a more strategic allocation of HR and recruitment spending.
- ◆ **High Recruitment Costs** – Identifying the most cost-efficient hiring strategies to maximize return on investment.
- ◆ **Talent Acquisition Efficiency** – Balancing speed, cost, and quality when hiring skilled IT professionals.
- ◆ **Competitive Hiring**– Adapting to global recruitment trends to attract top talent in a fast-paced industry.
- ◆ **Retention & Workforce Quality** – Ensuring that cost-cutting measures in hiring do not lead to long-term talent gaps or high turnover rates.

❑ **Objective of this Analyses:**

- Analysing recruitment data to determine the most cost-efficient hiring channels.
- Assessing the benefits, risks, and impact of the identified recruitment method(s).
- Exploring alternative recruitment strategies that could be more sustainable.
- Comparing findings with global recruitment trends to ensure alignment with industry best practices.
- Providing data-driven insights to assist senior management in making informed decisions about HR budgeting.

Key Metrics & Insights dashboard - 1

44

Total Employees

\$1.79K

Total Pay Rate

\$41

Avg Pay Rate

\$1.3M

Cost of Hire

\$29K

Avg cost of Hire

Sex

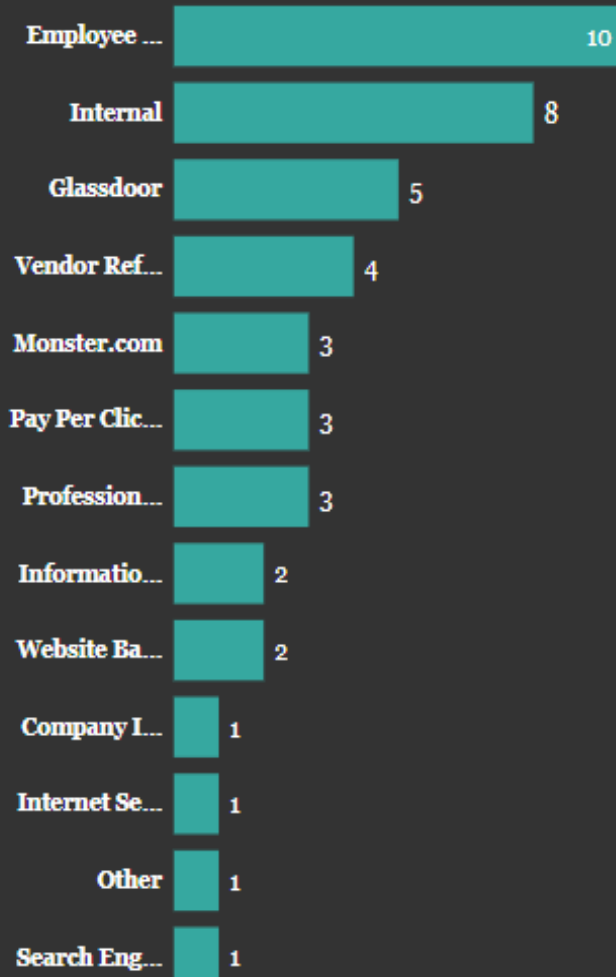
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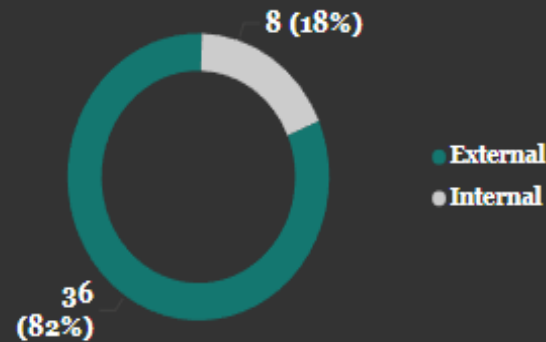
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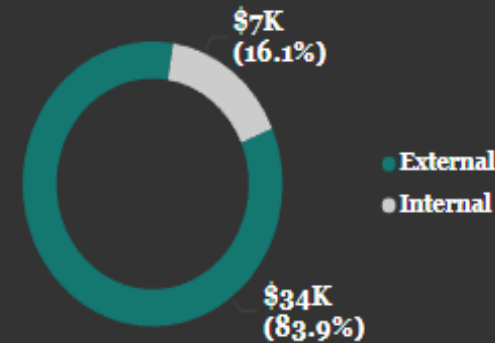
Total Employees by Employee Source



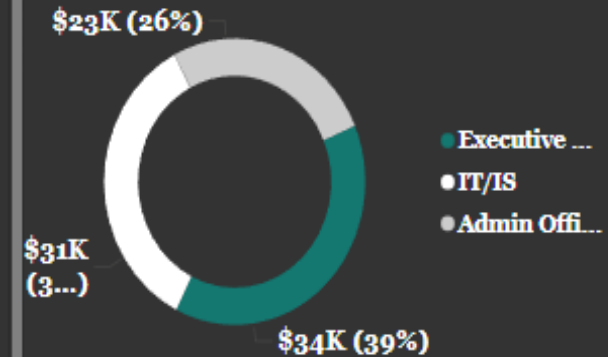
Total Employees by Employment Method



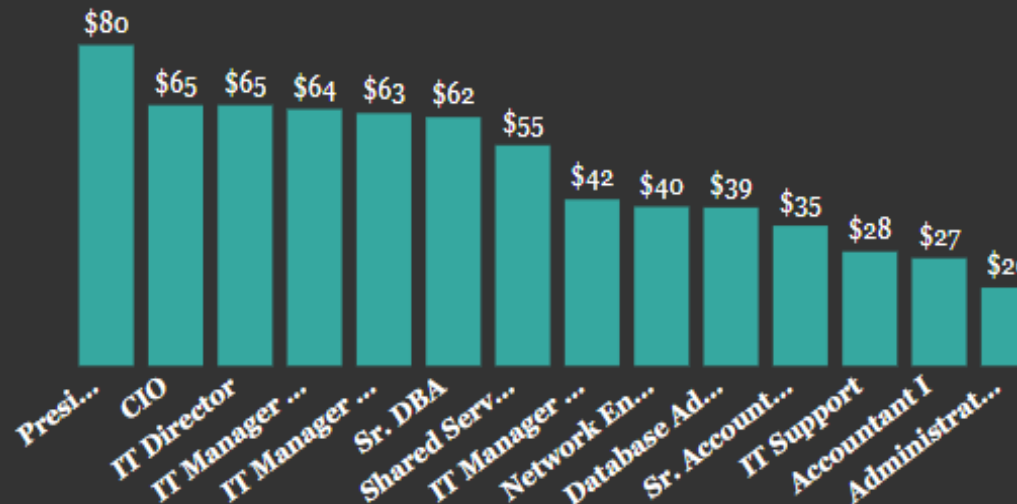
Avg cost of Hire by Employment Method



Avg cost of Hire by Department



Avg Pay Rate by Position



Employee Source	Avg cost of Hire	Total Employees
Employee Referral	\$33,972	10
Internal	\$6,500	8
Glassdoor	\$33,972	5
Vendor Referral	\$33,972	4
Monster.com	\$33,972	3
Pay Per Click - Google	\$33,972	3
Professional Society	\$33,972	3
Information Session	\$33,972	2
Website Banner Ads	\$33,972	2
Company Intranet - Partner	\$33,972	1
Total	\$28,077	44

Key Metrics & Insights dashboard - 2

44

Total Employees

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Avg Pay Rate

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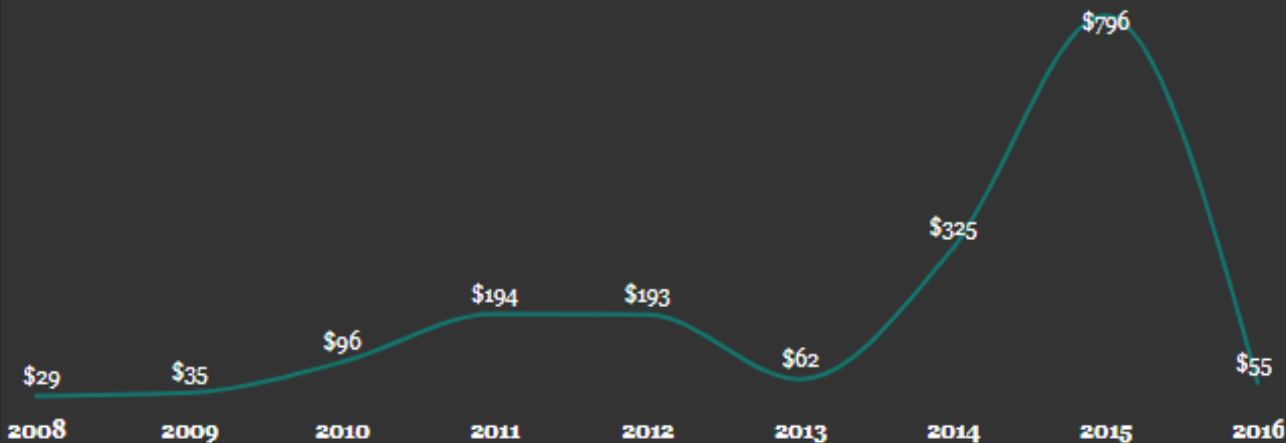
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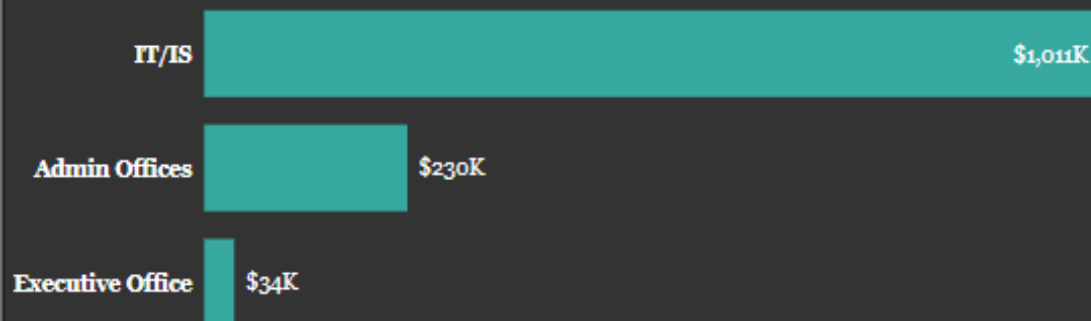
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Total Pay Rate by Year

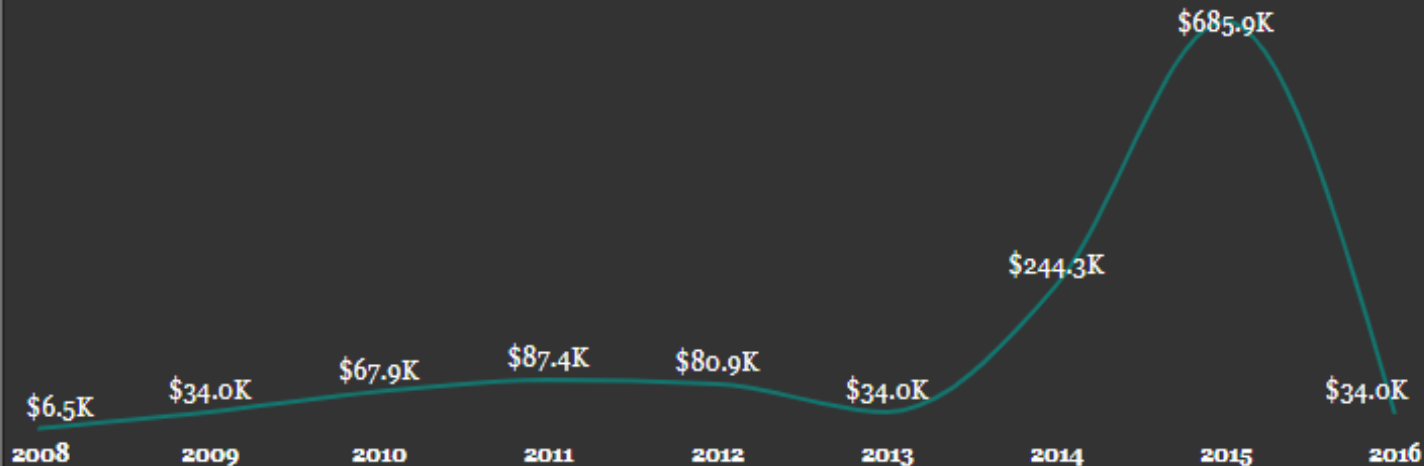


Cost of Hire by Department



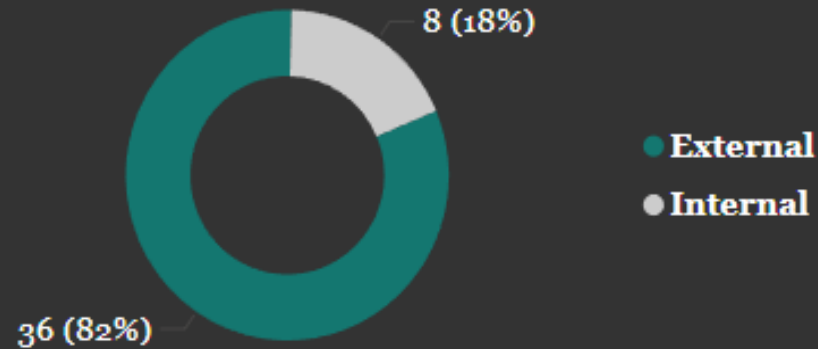
Employee Source	Performance Score	Total Employees
Internal	Fully Meets	4
Employee Referral	90-day meets	3
Employee Referral	Fully Meets	3
Monster.com	Fully Meets	3
Employee Referral	Exceptional	2
Employee Referral	N/A- too early to review	2
Glassdoor	90-day meets	2
Glassdoor	Fully Meets	2
Pay Per Click - Google	N/A- too early to review	2
Vendor Referral	Fully Meets	2
Company Intranet - Partner	Fully Meets	1
Total		44

Cost of Hire by Year



Cost-Effective Recruitment Methods Analysis

Total Employees by Employment Method



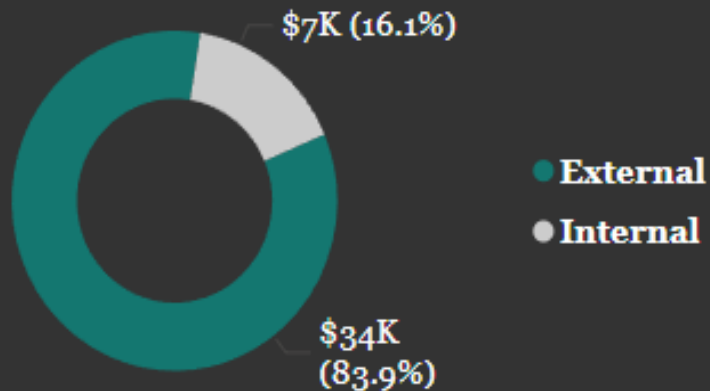
Method Comparison Internal – 8 employees (18%), External – 36 employees (82%), indicate a strong reliance on external recruitment method.

Cost Comparison: Internal average hiring costs \$7K (16%), while external hiring costs \$34K (84%), making external recruitment nearly **5x more expensive** per hire.

Key Insights:

- **Internal Hiring is More Cost-Effective:** With significantly lower costs, leveraging internal recruitment method can optimise spending.
- **Over-Reliance on External Hiring:** While external hires bring fresh talent, the high cost suggests a need for a more balanced approach.
- **Potential Savings:** Increasing internal hires could lead to **substantial cost reductions** without compromising talent acquisition.

Avg cost of Hire by Employment Method

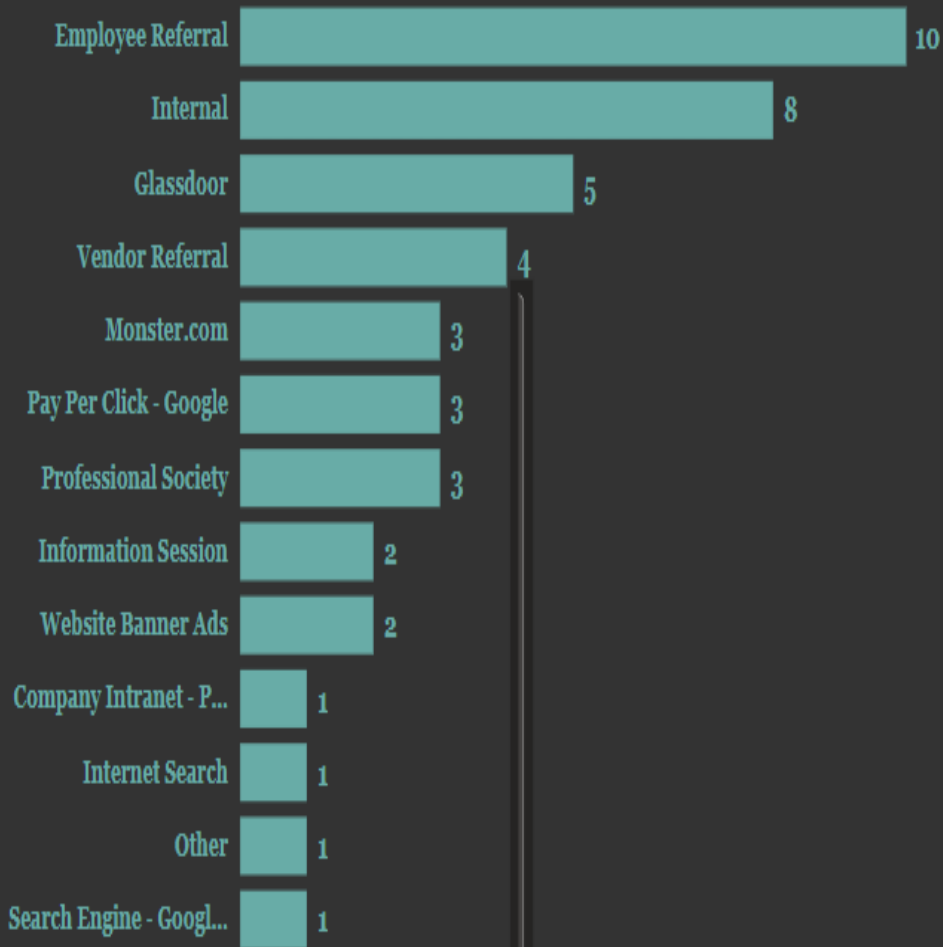


\$1.3M
Cost of Hire

\$29K
Avg cost of Hire

Effective Recruitment Sources Analysis

Total Employees by Employee Source



The top 3 Recruitment Sources (Highest Employee Count):

- 1. Employee Referrals (22.7%)** – top the lead as the most effective recruitment source, indicating staff engagement and loyalty.
- 2. Internal Hiring (18.2%)** – Cost-efficient, leveraging existing talent with higher retention and lower training needs.
- 3. Glassdoor (11.4%)** – Among the strong hiring sources, attracting job seekers through company reviews and salary insights.

Low-Performing Sources (Cost Reduction Opportunity)

Company Intranet - Partner (2.3%), Internet Search (2.3%)
Search Engine - Google/Bing/Yahoo (2.3%) Other (2.3%)

Reduce or eliminate investment in low-performing sources to optimize recruitment spending.

Effective Recruitment Sources Analysis Cont'd

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Vendor Referral	Fully Meets	2
Company Intranet - Partner	Fully Meets	1
Total		44

Internal hiring delivers the highest ROI, with the most employees meeting performance targets. This is likely due to internal hires' familiarity with the company's culture, processes, and expectations, enabling them to integrate and perform efficiently.

Additionally, Internal hires would require less resources for sourcing, onboarding, and training, reducing overall hiring expenses. Consistently high-performing hires translate into better project delivery, client satisfaction, and overall business performance.

Internal Hiring Method – Balancing Benefits & Risks

❑ While internal hiring has proven to be a cost-effective and efficient recruitment method for TedSquare Ltd., it comes with both advantages and challenges.

Benefits:

- **Lower Hiring Costs** – Significantly reduces recruitment expenses compared to external hiring. average hire cost of \$7K–five times lower than external hiring (\$34K).
- **Faster Onboarding** – Internal hires already understand company culture, processes, and expectations.
- **Higher Retention & Engagement** – Employees see career growth opportunities, leading to better retention.

Risks:

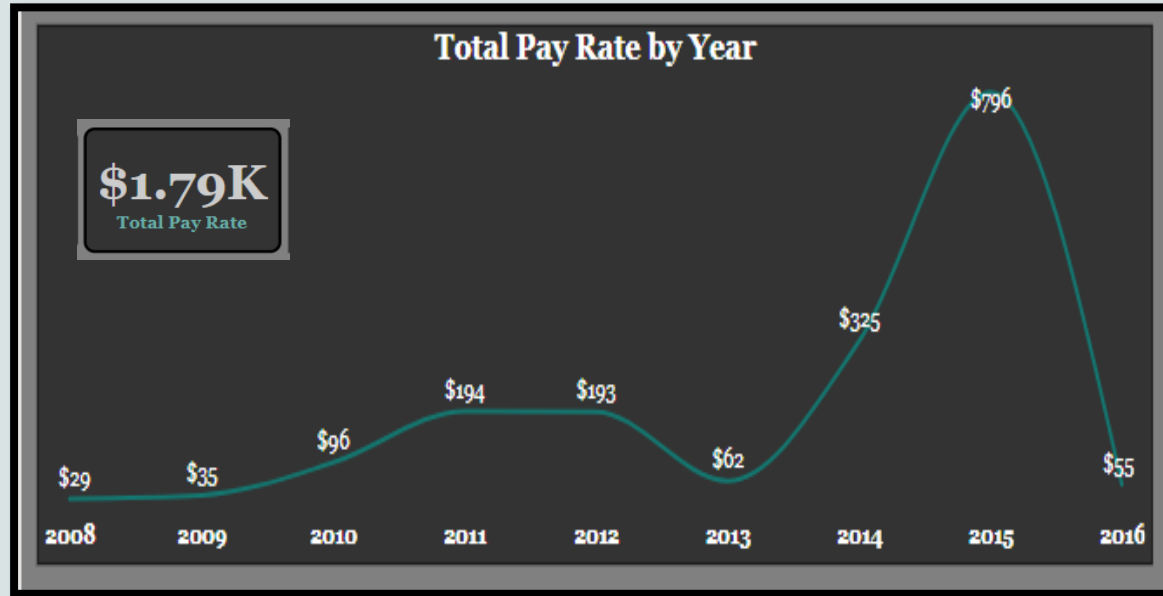
- ❖ **Limited Fresh Talent & Innovation** – Over-reliance on internal hires may lead to stagnation and a lack of new perspectives.
- ❖ **Skill Gaps & Role Backfilling** – Promoting internally may leave skill gaps in existing roles, requiring additional hiring.
- ❖ **Potential Bias & Limited Diversity** – Favours internal candidates might restrict access to a broader, more diverse talent pool within the Tech industry.

While promoting internal hiring remain a key strategy, it's equally essential to embrace other recruitment methods that align with current trends. This approach will help maintain diversity, foster innovation, and bring in fresh perspectives and skills.

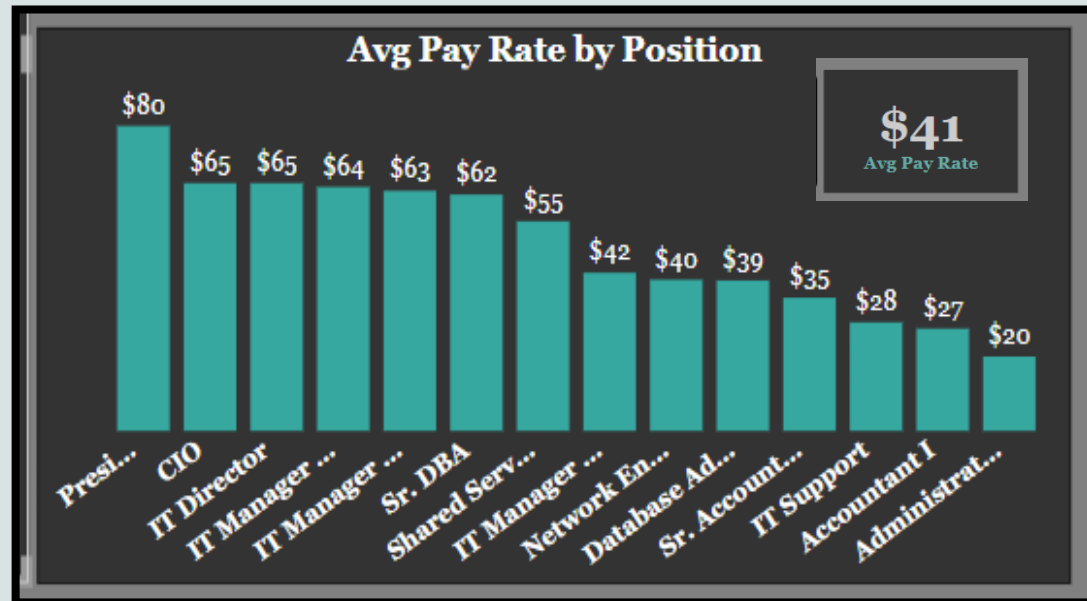
Alternative Recruitment Methods: Embracing the Global Trend

- ❑ **Social Media Recruiting (LinkedIn, Twitter, GitHub)** 75% of job seekers utilize social media platforms in their job search, making it a crucial hiring channel. (CareerArc, 2023) and **Companies leveraging LinkedIn for recruitment experience a 30% reduction in hiring costs** compared to traditional methods. (LinkedIn Talent Solutions, 2023)
- ❑ **AI-Enhanced HR Platforms:** Advanced HR systems are now leveraging AI to predict staffing needs, automate recruitment functions, and enhance strategic workforce planning. (*The Guardian, 2025*)
- ❑ **Mobile Recruiting by Text:** Text messaging campaigns using short codes and keywords are being employed to engage candidates in various public settings, expanding talent pipelines. (*Wikipedia, 2025*)
- ❑ **Artificial Intelligence Integration:** AI-driven tools, such as chatbots, are streamlining candidate screening and interview scheduling, boosting efficiency during high-volume hiring periods. (*Magna Scientia Advanced Research and Reviews, 2024*)
- ❑ **Personality and Psychometric Assessments:** To better understand behavioural traits and cultural fit, employers are incorporating assessments that complement traditional recruitment methods. (*The Times of UK*)

Employee Pay Rate Cost Analysis



There is year-on-year sharp fluctuating salary trends indicating shifts in strategy, financial conditions or workforce adjustments. There should be focus on consistent workforce planning, strategic cost management to create a more stable and competitive work environment.



\$41k average salary is well below the U.S. IT industry trend (\$75K+ entry-level, \$113K+ experienced), providing immediate cost savings, but posing long-term risks like high turnover, and increased recruitment costs. There is need to conduct regular salary reviews, offer bonuses, or invest or other incentives without significantly raising base salaries.

Recommendations

Business Priorities:	Recommendations:
<input type="checkbox"/> Enhance Internal Hiring & Career Development.	<ul style="list-style-type: none">Continue leveraging the cost-effective internal hiring method, which currently averages \$7K per hire.Develop structured career development programs to foster employee growth and promote internal mobility, ensuring that existing talent remains engaged and motivated.
<input type="checkbox"/> Integrate Strategic External Recruitment Methods.	<ul style="list-style-type: none">While internal hiring is effective, incorporate selective external recruitment to bring in fresh perspectives and skills.Leverage digital platforms, social media outreach, and AI-driven candidate sourcing to align with global best practices.
<input type="checkbox"/> Address Fluctuations in Annual Pay Costs	<ul style="list-style-type: none">Analyse the root causes of the observed fluctuations in annual pay expenses to identify any underlying issues in workforce planning.Establish a more predictable compensation model that aligns with long-term business goals and market trends.
<input type="checkbox"/> Optimise Compensation Strategies Compensation	<ul style="list-style-type: none">Regularly benchmark salaries and recruitment performance against industry standards, particularly competitors like Accenture, Cognizant, and Infosys etc to remain competitiveness.Utilise modern recruitment tools and data analytics to monitor key performance indicators, enabling agile adjustments to recruitment and compensation strategies.
<input type="checkbox"/> Implement Continuous Monitoring & Benchmarking	<ul style="list-style-type: none">Maintain cost savings but periodically review and adjust compensation to retain skilled talent and reduce turnover.Consider implementing performance-based incentives, such as bonuses and stock options, to reward top performers without significantly Increasing base salaries.

Action Plan – Recruitment & Cost Optimisation

Strategic Priorities	Actions	Expected Outcome
Leverage Internal recruitment method Career Development	<ul style="list-style-type: none">➤ Strengthen internal talent pipelines through upskilling and mentorship programmes.➤ Establish clear career progression paths.➤ Increase internal job postings and encourage employee referrals.	<ul style="list-style-type: none">✓ Higher retention rates.✓ Reduced recruitment costs.✓ Improved employee engagement
Integrate Strategic External Recruitment Methods	<ul style="list-style-type: none">➤ Leverage digital platforms, AI-driven sourcing, and social media recruitment.➤ Optimize high-performing external channels like employee referrals and Glassdoor.➤ Reduce investment in low-yield recruitment sources.	<ul style="list-style-type: none">✓ Cost-efficient hiring.✓ Access to diverse talent pools.✓ Improved hiring quality.
Address Fluctuations in Annual Pay Costs	<ul style="list-style-type: none">➤ Implement structured workforce planning to avoid extreme salary fluctuations.➤ Align hiring and compensation strategies with business growth projections.	<ul style="list-style-type: none">✓ Predictable payroll expenses✓ Financial stability
Optimise Compensation Strategies	<ul style="list-style-type: none">➤ Conduct regular salary benchmarking against industry leaders (e.g. Accenture, Cognizant, Infosys)➤ Introduce non-monetary incentives (career growth, learning opportunities, and flexible benefits).➤ Adjust pay rates strategically for retention.	<ul style="list-style-type: none">✓ Competitive pay structure.✓ Reduced turnover.✓ Increased employee satisfaction.
Implement Continuous Monitoring & Benchmarking	<ul style="list-style-type: none">➤ Track recruitment cost-effectiveness and performance metrics regularly.➤ Review market trends and adjust hiring strategies.➤ Utilise data-driven insights for HR decision-making.	<ul style="list-style-type: none">✓ Agile and data-driven HR management✓ Improved hiring efficiency✓ Sustainable cost optimisation.

Conclusion

TedSquare Ltd. can achieve its cost management strategy by adopting the most cost-effective recruitment method. With internal hires averaging only \$7K per hire versus \$34K externally, this method delivers significant savings. However, to drive sustained growth and foster innovation, the company should also incorporate strategic external recruitment aligned with global trends, ensuring a steady hiring of fresh talent, to bring in innovative perspectives. Regular salary benchmarking and modern recruitment tools will further maintain competitiveness while optimising overall expenses.

