



Hiring New Employees

Vocab:

Recruiting- trying to find and hire a great employee.

Adverts + Interview fees + Hiring fees

**LESSON
13.1**

EXAMPLE 1

Talbot Manufacturing Company is searching for a person to head its production department. The personnel department placed advertisements at a total cost of \$6,495 and employed Empire Executive Search Company to locate candidates. Empire recommended Alice Welch, Tomas Valdez, and Cleveland Adams. Talbot paid the candidates' travel expenses (transportation, lodging, and meals) for interviews.

After the interviews, Talbot hired Cleveland Adams at an annual salary of \$154,900. Talbot paid these expenses to hire him:

Moving expenses, \$13,600

Real estate broker's fee for sale of home, 6% of \$240,000

Empire's finder fee, 25% of Cleveland's first-year salary

What was the total expense of recruiting Cleveland Adams?

Adverts: \$ 6495

Interviews: $917 + 1235 + 1135 = \underline{\$3287}$

Hiring: $13,600 + 0.06(240,000) + 0.25(154,900) = \underline{\$66,725}$

total: \$
76,507

Candidate	Total Travel Expenses
Alice Welch	\$ 917
Tomas Valdez	\$1,235
Cleveland Adams	\$1,135

**LESSON
13.1**

Find the total recruiting cost. Check your answers in the back of the book.

1. Advertising expenses are \$1,975. Interviewing expenses are \$1,470 and \$1,260. Hiring expenses are \$475, \$8,600, and 6% on the sale of a \$190,250 home.

total:

$$1975 + 1470 + 1260 + 475 + 8600 + 0.06(190250)$$

25,195

LESSON
13.1
EXAMPLE 2 Algebra

Able Manufacturing Company has a budget of \$36,000 for recruiting costs for the position of Chief Engineer. The company has spent \$4,500 on advertising expenses and \$8,700 on interviewing expenses. Able is willing to pay a 6% commission on selling the selected individual's home. What is the maximum selling price that Able would pay 6% commission on in order to stay at or below \$36,000 in total recruiting costs?

$$\text{Total} = \text{Adverts} + \text{Interview} + \text{Hiring}$$

$$36000 = 4500 + 8700 + 0.06(x)$$

$$\begin{array}{r} 36000 \\ -4500 \\ -8700 \\ \hline 22800 \end{array} = \begin{array}{r} 4500 \\ -4500 \\ \hline 0 \end{array} + \begin{array}{r} 8700 \\ -8700 \\ \hline 0 \end{array} + 0.06(x)$$

$$\frac{22800}{0.06} = \frac{0.06x}{0.06}$$

$$\boxed{\$380,000 = x}$$


**LESSON
13.1**

Complete the problems. Check your answers in the back of the book.

4. Executives at Third Federal Bank are in a national search for a new Director of Human Resources. They have budgeted \$30,000 for the search. They have spent \$8,600 on advertising expenses and \$7,650 on interviewing expenses. They are willing to pay a 5.5% commission on selling the selected individual's home. What is the maximum selling price on which Third Federal would pay 5.5% commission and stay within \$30,000 in total recruiting costs?

$$\begin{array}{r}
 30000 = 8600 + 7650 + 0.055(x) \\
 - 8600 \quad - 8600 \quad - 7650 \\
 - 7650
 \end{array}$$

$$\begin{array}{r}
 13750 = 0.055x \\
 \hline
 0.055 \quad 0.055
 \end{array}$$

$$\boxed{\$250000 = x}$$

**LESSON
13.2****Administering Wages and Salaries**Vocab:

Salary Scale- a table that tells you how much you will make at a company.

Cost-of-Living Adjustment- COLA → This increase accounts for inflation.

Merit Increase- an increase in salary for doing a great job!

LESSON 13.2

EXAMPLE 1

Elaine Taylor is a systems analyst (salary level 1 position) for EPD, Inc. The executive board of EPD voted to give all employees a cost-of-living adjustment of 2.8%. In addition, Elaine was awarded a merit increase of 3.5% for excellent work during the year. What will her salary be for the coming year?

EPD Inc. Employee Salary Schedule				
Salary Level	Data Entry	Web Designer	Systems Analyst	Project Leader
1	\$28,500	\$35,000	\$40,000	\$60,000
2	\$30,000	\$38,000	\$44,000	\$65,000
3	\$31,500	\$41,000	\$48,000	\$70,000

$$\begin{array}{r}
 2.8\% \\
 + 3.5\% \\
 \hline
 6.3\%
 \end{array}$$

$$1.063(40000) = 42,520$$

**LESSON
13.2**

Complete the problems. Check your answers in the back of the book.
(Use Figure 13.1 on page 489.)

1. Sam Jordan is a project leader (salary level 1 position) for EPD, Inc. He receives a 2.8% cost-of-living adjustment and a 2% merit increase. Find the new salary.

EPD Inc. Employee Salary Schedule				
Salary Level	Data Entry	Web Designer	Systems Analyst	Project Leader
1	\$28,500	\$35,000	\$40,000	\$60,000
2	\$30,000	\$38,000	\$44,000	\$65,000
3	\$31,500	\$41,000	\$48,000	\$70,000

$$\begin{array}{r} 2.8\% \\ 2.0\% \\ \hline 4.8\% \end{array}$$

$$1.048(60000) = \$62,880$$

LESSON 13.2

EXAMPLE 2 Algebra

John Baker has a middle-management position with Carbondale Industries, Inc. After his annual performance review, he receives a merit increase of 4.2% and a cost-of-living increase of 2.1%. His annual salary after the increases is \$50,492.50. Find John's annual salary before the two increases took effect. Find his merit increase and his cost-of-living increase.

$$\begin{array}{r} 4.2\% \\ + 2.1\% \\ \hline 6.3\% \end{array}$$

$$\frac{1.063(x) = 50,492.50}{1.063} \quad \frac{50,492.50}{1.063}$$

$$x = 47,500$$

$$0.042(47,500) = 1,995$$

$$0.021(47,500) = 997.50$$

LESSON
13.2

Complete the problems. Check your answers in the back of the book.

3. After Enrique Agosto's semi-annual performance review, he received a merit increase of 4.75% and a cost-of-living increase of 3.25%. He is now earning \$19.98 per hour with time-and-a-half for all hours over 40 per week. What was his hourly rate before the merit and cost-of-living increases? How much more would he earn now for a 47-hour work week?

$$\begin{array}{r} 4.75\% \\ + 3.25\% \\ \hline 8\% \end{array}$$

$$\frac{1.08(X)}{1.08} = \frac{19.98}{1.08}$$

$X = \$18.50$ an hour

$$\begin{array}{r} 19.98 \\ - 18.50 \\ \hline \$1.48 \end{array}$$

$$40(1.48) + 7(1.5)(1.48)$$

$\$74.74$