The Hidden Cost of Employment: Employees vs Contractors

Software Developer

Employee

Annual Salary:
£42,000

Absence/Sickness/Holidays: £4,000
H/R Benefits/ Other: £4,000
Recruitment Costs: £3,000
Bonus and KPI: £2,000
NI Contributions: £5,000
Pension: £1,000
Training: £1,000
Overhead Costs: £5,000
Avg Interview: £1,000
Management Time: £2,600
Productivity Lost: £7,800
Adjustment Vs Avg: £6,820

Yearly Total:
£86,220

Contractor

Daily Salary (£385)
X Avg yearly working days (229):
£88,165

Yearly Total:
£88,185

An estimated 1/5 of new employees
fail to pass probation.

Each employee that fails to pass probation
costs a business around £22,220.

ClearHub will replace any contractor who is deemed
not right for the role, for free.