



T the silent—but substantial—profit killer Turnover

Myths about Turnover abound. Some say it is inevitable in the 21st century and there is little that can be done to stop it. Others argue that Turnover is a serious symptom of deeper organizational problems. Still others claim that Turnover is good because a company needs to do periodic housecleaning in order to keep its workplace neat and tidy.

In fact, Turnover is a costly indication that something is wrong internally. At a minimum, a company and the employee are mismatched. Often the only thing that a business has to show for this mismatch is a costly statistic. Most companies cannot afford the tedious and expensive process of recruiting applicants only to have them leave in discontent.

Just how costly is Turnover? We have devised this cost of Turnover worksheet to help you determine how Turnover affects your bottom-line. You may be unpleasantly surprised at how much Turnover costs you, even if only one employee leaves this year.

Hard Costs:

Employee's classification & department: _____
 Employee's hourly pay rate \$ _____
 Employee's supervisor pay rate \$ _____
 Corporate office staff pay rate \$ _____

1) Separation Costs	Hours _____ x	Wage \$ _____	= \$ _____
§ Exit interviews			
§ Administrative costs			
§ Separation/severance pay			
§ Possible increase in unemployment compensation			
	Hours _____ x	Wage \$ _____	= \$ _____
2) Vacancy Costs			
Coworker burdens:			
§ Overtime			
§ Additional shifts			
Supervisor burdens	Hours _____ x	Wage \$ _____	= \$ _____
§ Filling in for exited employee			
§ Scheduling changes/overtime			
§ Supervising temporary worker			
Hiring headhunter/executive search firm	Hours _____ x	Wage \$ _____	= \$ _____
Developing new job descriptions & ads	Hours _____ x	Wage \$ _____	= \$ _____
§ Administrative time			
Placing ads in newspapers, online, and company website	Hours _____ x	Wage \$ _____	= \$ _____
§ Cost of advertising			
§ Administrative time			
3) Selection & Replacement Costs	Hours _____ x	Wage \$ _____	= \$ _____
Sorting through resumes			
Interviewing			
§ Administrative time			
§ Costs of transportation for candidate			
Drug testing/assessment testing			
Relocation Expenses			
Orientation & on-the-job Training	Hours _____ x	Wage \$ _____	= \$ _____
§ Trainer & materials costs			
§ Lost productivity while new employee is trained			
§ Learning curve costs			
Total Hard Costs of Turnover			= \$ _____

