

The True Cost of Turnover: A Worksheet

Calculating My Turnover and Retention this Year

The number of employees on my team	
How many positions have turned over once?	
How many positions have turned over more than once?	
How many employees have been fired?	
How many employees have left to attend school?	
How many employees have quit to care for family?	
How many employees have quit to move away?	
How many employees have moved to another department?	
How many employees have quit to go to another company?	
How many employees have stayed?	



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Calculating My Turnover Costs

The Tangible Costs of turning over one employee:

Final paycheck additions: vacation pay, separation pay	\$
Cost of continuing benefits	\$
Cost of separation tasks (exit interview, separation paperwork, benefits paperwork, hourly wages x number of hours for HR, IT, payroll, benefits etc.)	\$
Recruitment costs (newspaper ad, internet, recruitment company costs)	\$
Overtime costs Employees' overtime hours x hourly wages	\$
Manager's wages* per hour x number of hours spent: Transition meetings with staff ____ hours x hourly wage Screening applications and resumes ____ hours x hourly wage Phone interviews and personal interviews ____ hours x hourly wage Checking references ____ hours x hourly wage	\$
Cost of background check, drug test or other screening processes	\$
Manager's wages per hour x number of hours spent orienting a new employee	\$
Manager's wages per hour x number of hours spent training a new employee	\$
Manager's wages per hour x number of hours spent working with experienced employee to set up training of new employee and follow up	\$
Experienced employee's hourly wages x number of hours spent training new employee	\$
TOTAL tangible costs	\$

** Take your annual salary and divide by 52 and then again by 40 to determine an hourly wage to use for this exercise.*



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The Intangible Costs of turning over one employee:

Lost productivity of experienced employee due to training / helping new employee	\$
Lower productivity of new employee due to learning curve	\$
Low morale due to employee loss / overwork	\$
Problems / disruptions / customer issues	\$
TOTAL intangible costs	\$

The Total Costs of replacing one employee:

TOTAL tangible costs	
TOTAL intangible costs	+
TOTAL cost of replacing one employee	\$

True Total Cost of Turnover

TOTAL cost of replacing one employee	\$
Number of employees turned over	x
TOTAL tangible costs (TOTAL cost of replacing one employee x number of employees turned over)	\$

