

Turnover Cost Analysis

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Employee's Classification: Business Development Manager
 Total Number of Turnover Events per year in this Employee Classification: 3.00

	Partv	Base Hourly Wage	Annual Wage	Taxes @ 9%	Workers Comp %	Annual Benefits	Eff. Hriv Cost	Pay + Burden	Earning Power Factor
Position of Turnover - Employee's hourly pay rate:	Employee	\$31.25	\$65,000	\$5,850	0.75%	\$3,600	\$36.03	115.3%	4.00
Employee's Supervisor's pay rate:	Supervisor	\$38.46	\$80,000	\$7,200	0.75%	\$3,600	\$43.94	114.3%	1.50
Admin Support Staff pay rate (may be an average):	Admin Staff	\$15.00	\$31,200	\$2,808	0.50%	\$3,600	\$18.16	121.0%	0.50
Temporary Staff Fill-In (Billed Rate)	Temporary						\$0.00		0.50
Other Involved/Impacted Employee	CEO	\$72.12	\$150,000	\$13,500	0.75%	\$3,600	\$80.88	112.2%	

Company Profitability Information

Annual Company Pre-Tax Net Profit \$400,000 equals an average of \$13,333 per employee per year or \$6.41 per employee per hour
 Total Number of Employees 30

Estimated Cost of Turnover per Employee \$43,600 equals 58.2% of Total Cost of Employee (Wage Plus Tax & Benefit Burden)
Estimated TOTAL Annual Cost of Turnover in this Employee Classification: \$130,799

Item Cost	Items or Hours	Responsible Party	Hard Costs & Time Costs	Loss of Profit Costs	Total
PRE-DEPARTURE COSTS					
Loss of Productivity of departing employee	40.0	Employee	\$1,441	\$1,026	
Loss of Productivity of co-workers	16.0	Employee	\$576	\$416	
Performance / Probation Counseling					
Supervisor time	8.0	Supervisor	\$352	\$277	
Employee time	2.0	Employee	\$72	\$51	
Total Pre-Departure Costs			\$2,441	\$1,764	\$4,005

Item Cost	Items or Hours	Responsible Party	Hard Costs & Time Costs	Loss of Profit Costs	Total
SEPARATION COSTS					
Exit interview costs:					
Staff conducting interview	2.0	Supervisor	\$8	\$19	
Departing employee being interviewed	1.0	Employee	\$36	\$26	
Payout of annual leave for departing employee	20.0	Employee	\$721	\$513	
Separation administration:					
Internal, COBRA, HIPAA	2.0	Admin Staff	\$36	\$6	
Unemployment:					
Administration	2.0	Admin Staff	\$36	\$6	
Hearing	4.0	Supervisor	\$176	\$38	
Total Separation Costs			\$1,093	\$609	\$1,702

Item Cost	Items or Hours	Responsible Party	Hard Costs & Time Costs	Loss of Profit Costs	Total
VACANCY COSTS					
Lost productivity of vacant position		Employee		\$4,103	
Temporary and contract workers		Temporary	\$0	\$0	
Overtime of current employees		Employee	\$0		
Customer / Client Loss or Reduction in Profit Income				\$10,000	
Total Vacancy Costs			\$0	\$14,103	\$14,103

Item Cost	Items or Hours	Responsible Party	Hard Costs & Time Costs	Loss of Profit Costs	Total
REPLACEMENT COSTS					
Communicating job availability costs:					
Advertising (Cost per Item / No. of Items)	\$275 / 3.0		\$826		
Staff costs to prepare ads	1.0	Admin Staff	\$18	\$3	
Recruiter / Staffing Agency (Percentage Fee)	0%		\$0		
Screening candidates costs:					
Recruitment response screening	4.0	Supervisor	\$176	\$38	
Reference checking	3.0	Admin Staff	\$54	\$10	
Pre-employment testing (Cost per Item / No. of Items)	\$100 / 3.0		\$300		
Interviewing and selecting candidates costs:					
Staff preparation and actual interviewing time	6.0	Supervisor	\$264	\$58	
Select final pool of candidates & final candidate	4.0	Supervisor	\$176	\$38	
Administrative Costs:					
Payroll staff costs	1.0	Admin Staff	\$18	\$3	
Employee's New-Hire administrative paperwork	3.0	Employee	\$108	\$77	
Total Replacement Costs			\$1,940	\$228	\$2,168

Item Cost	Items or Hours	Responsible Party	Hard Costs & Time Costs	Loss of Profit Costs	Total
TRAINING and LEARNING CURVE COSTS					
Orientation Costs:					
Staff conducting orientation	5.0	Supervisor	\$220	\$48	
New employee attendance	5.0	Employee	\$180	\$128	
External training (seminars, workshops):					
Fees	\$2,000 / 1.0		\$2,000		
New employee attendance(time away from job)	24.0	Employee	\$865	\$615	
On-the-job training:					
Staff conducting on-the-job training	24.0	Supervisor	\$1,055	\$231	
New employee time	24.0	Employee	\$865	\$615	
Employee Learning Curve (before reaching 100%)	Productivity % ↓				
Hours at Reduced Productivity Percent Shown	25%	160.0	Employee	\$4,323.32	\$3,076.92
Hours at Reduced Productivity Percent Shown	50%	160.0	Employee	\$2,882.21	\$2,051.28
Hours at Reduced Productivity Percent Shown	75%	160.0	Employee	\$1,441.11	\$1,025.64
Total Training Costs			\$13,830	\$7,792	\$21,622

TOTAL TURNOVER COST PER EMPLOYEE \$19,305 \$24,295 \$43,600

Summary of Turnover Costs

Employee	\$ 27,228	Pre-Departure	\$ 4,005
Supervisor	\$ 3,053	Separation	\$ 1,702
Admin Support Staff	\$ 192	Vacancy	\$ 14,103
Temporary Help	\$ -	Replacement	\$ 2,168
CEO	\$ -	Training	\$ 21,622
Fees	\$ 3,126		\$ 43,600
Customer / Client Loss	\$ 10,000		
Total	\$ 43,600		