

Calculating Turnover Costs

Direct Costs	# Hours	Hourly Rate	Total
Termination - Separation Processing - Administrative Support			
Separation Processing - Management			
Exit Interviews - Human Resources staff or external Consultant			
Severance Pay			
Accrued Vacation			
Continued Benefits			
Vacancy - Temporary Help - Wages			
Temp Agency Services			
Overtime for Co-Workers			
Recruitment - Writing Job Ad			
Running Job Ad			
Third Party Recruiter Fees			
Other (example: referral bonus)			
Selection & Hiring - Application Screening			
Interviewing			
Reference Check			
Finalizing Employee Contract			
Relocation			
Other (example: signing bonus)			
Orientation & Training - New Hire Processing			
Orientation			
Orientation Materials and Employee Literature			
Uniforms and Equipment			
In-house training or coaching			
Training Materials			
External Training			
Other (example: licensing, certification fees)			
Total of Direct Costs			

Indirect Costs	% Reduction	# Hours	Hourly Rate	Total
Lost Productivity of Incumbent, prior to departure				
Lost Productivity of Co-Workers or Subordinates				
Lost Productivity/Time of Supervisor during Vacancy				
Lost Productivity/Time of Supervisor during Orientation/Training				
Lost Productivity of New Hire during Transition (initially)				
Lost Productivity of New Hire during Transition (subsequently)				
Increased defects/operating errors during Vacancy or Transition				
Total of Indirect Costs				
Total Costs of Turnover (Direct + Indirect)				

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Direct Costs	# Hours	Hourly Rate	Total
Termination - Separation Processing - Administrative Support	.5	\$15	\$7.50
Separation Processing - Management	2	25	50.00
Exit Interviews - Human Resources staff or external Consultant	1	25	25.00
Severance Pay			
Accrued Vacation			400.00
Continued Benefits			
Vacancy - Temporary Help - Wages	64	7	448.00
Temp Agency Services			
Overtime for Co-Workers			
Recruitment - Writing Job Ad	1	25	25.00
Running Job Ad			75.00
Third Party Recruiter Fees			
Other (example: referral bonus)			
Selection & Hiring - Application Screening	.5	25	12.50
Interviewing	3	25	75.00
Reference Check	1.5	25	40.00
Finalizing Employee Contract	.5	25	12.50
Relocation			
Other (example: signing bonus)			
Orientation & Training - New Hire Processing	1	15	15.00
Orientation	2	25	50.00
Orientation Materials and Employee Literature			5.00
Uniforms and Equipment			50.00
In-house training or coaching	12	11	132.00
Training Materials			
External Training			
Other (example: licensing, certification fees)			
Total of Direct Costs			\$1422.50

Indirect Costs	% Reduction	# Hours	Hourly Rate	Total
Lost Productivity of Incumbent, prior to departure (est. 2 weeks)	50	64	\$7	\$224.00
Lost Productivity of Co-Workers or Subordinates (est. 2x2 weeks)	25	128	7	224.00
Lost Productivity/Time of Supervisor during Vacancy (2 weeks)	30	64	11	211.20
Lost Productivity/Time of Supervisor during Orientation/Training	30	40	11	132.00
Lost Productivity of New Hire during Transition (initially) (wk 1)	50	32	7	112.00
Lost Productivity of New Hire during Transition (subsequently) (weeks 2 and 3)	25	64	7	112.00
Increased defects/operating errors during Vacancy or Transition (ex. Overuse of chemicals, broken glass, damage to doors)				50.00
Dissatisfied or lost customer during Vacancy or Transition (est. 5 customers shorten stay by one night @ 140)				700.00
Total of Indirect Costs				\$1765.20
Total Costs of Turnover (Direct + Indirect)				\$3187.70