# Cost of turnover calculator (insert organisation / logo)

This template provides three steps to analysing and addressing workforce turnover.

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| **Step One – Measure Your Turnover Percentage** |
| 1. What’s your average number of employees? | Example | Your figures |
| Add the number of employees at the beginning of a nominated period (such as the financial year) with the number employed at the end of the period and divide by two. Average number of employees = (no. at beginning + no. at end) / 2 | (30 + 42 )/236 |  |
| 2. What’s your turnover percentage rate? |  |  |
| How many employees left during the same nominated period? | 6 |  |
| Multiply the number who left by 100 and divide by the average number of employees in that same period. This gives you your turnover rate as a percentage.Turnover percentage rate =(no. of employees who left x 100) / av. no. of employees | (6 X 100)/ 3616.6 |  |
| **Step Two – Calculate the Approximate Cost of Your Turnover** |
| This framework uses the estimate that suggests that the cost of replacing employees is around 1.5 times an employee’s salary.  |
| 1. Approximately how much does turnover cost your business per exiting employee? | Example | Your figures |
| What’s the average annual salary of an employee in your workforce? | $35 000 |  |
| Multiply this by the cost of replacing one employee in a year (approx 1.5 times an employee’s salary).Cost of replacing one employee per year = av. salary for one employee x 1.5 | $35 000 x 1.5$52 500 |  |
| 2. Approximately how much does turnover cost your business?  |  |  |
| How many people left during the nominated time?  | 6 |  |
| Multiply this by the approximate cost of replacing one employee a year.Approximate cost of turnover = cost of replacing one employee x no. of employees who left | $52 500 x 6$315 000 |  |
| You may wish to consider the total annual cost to you of losing an employee with the costs of providing some extra training or professional development. |
| **Step Three – Examine What the Causes of Your Workforce Turnover Are and Address any Issues that Arise** |
| 1. Ask employees who leave or who are leaving why they are leaving. Exit interviews can reveal some of the common reasons. |
| 2. Ask employees why they think employees may leave. Ask employees to complete an employee feedback survey that will gauge general satisfaction levels. Look for repeated areas of concern. These are your opportunities to improve particular areas.  |
| 3. Address key issues that arise so that employees know you take their views seriously and that you are committed to reducing workforce turnover. |