



COST OF TURNOVER

A COMPREHENSIVE GUIDE

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EXPENSE # 1

DIRECT COST

Cost to recruit, train and onboard a new hire, includes all costs directly associated with hiring.

66%

Of new hires in leisure industries
will leave within the first year

64%

Of new hires in the retail industry
will leave within the first year

\$3,328

16% OF ANNUAL SALARY

COST TO REPLACE \$10/HOUR **RETAIL** EMPLOYEE

This figure increases for
unionized employees

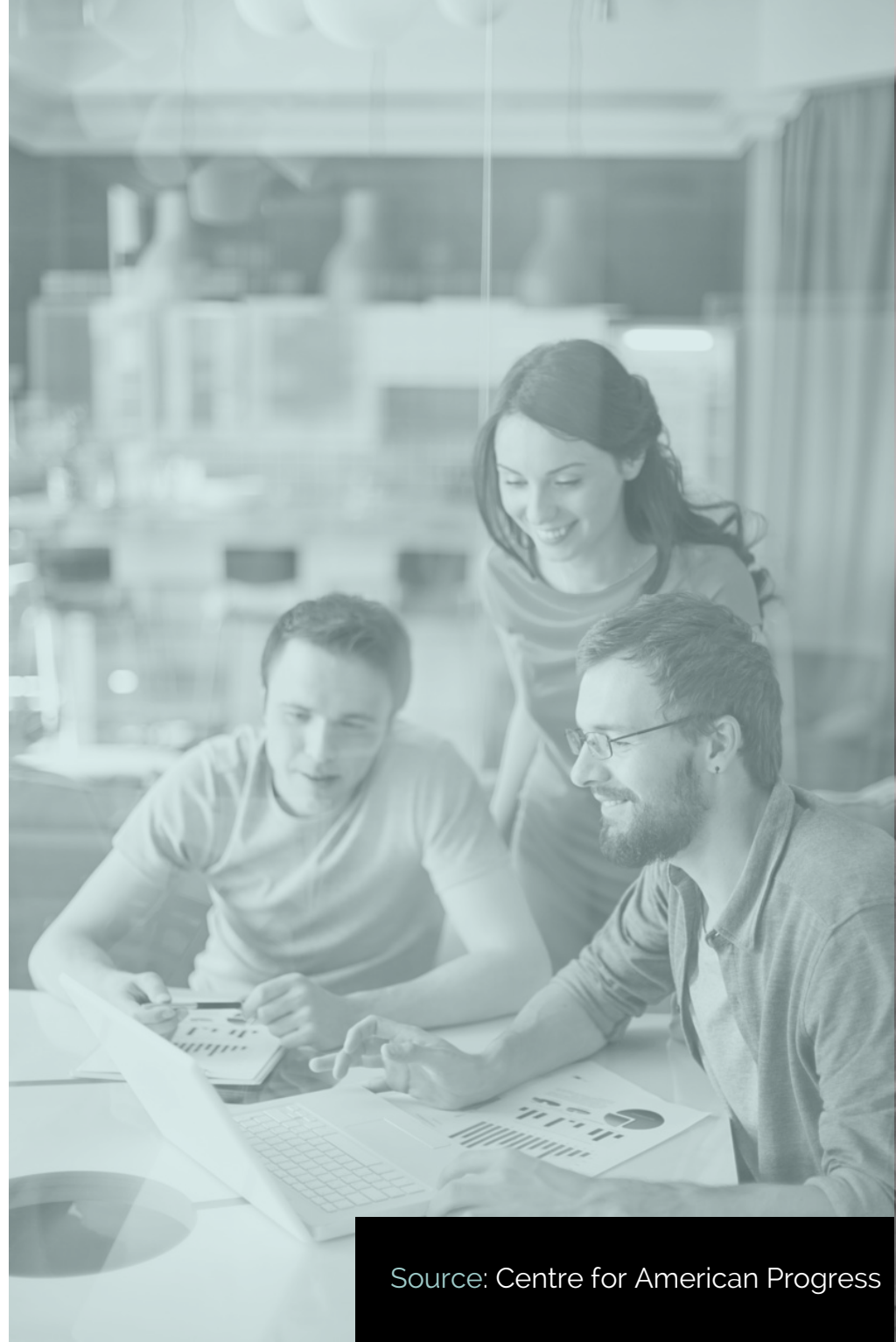
Source: Centre for American Progress



\$8,000

20% OF ANNUAL SALARY

COST TO REPLACE **MID-RANGE** EMPLOYEE



Source: Centre for American Progress

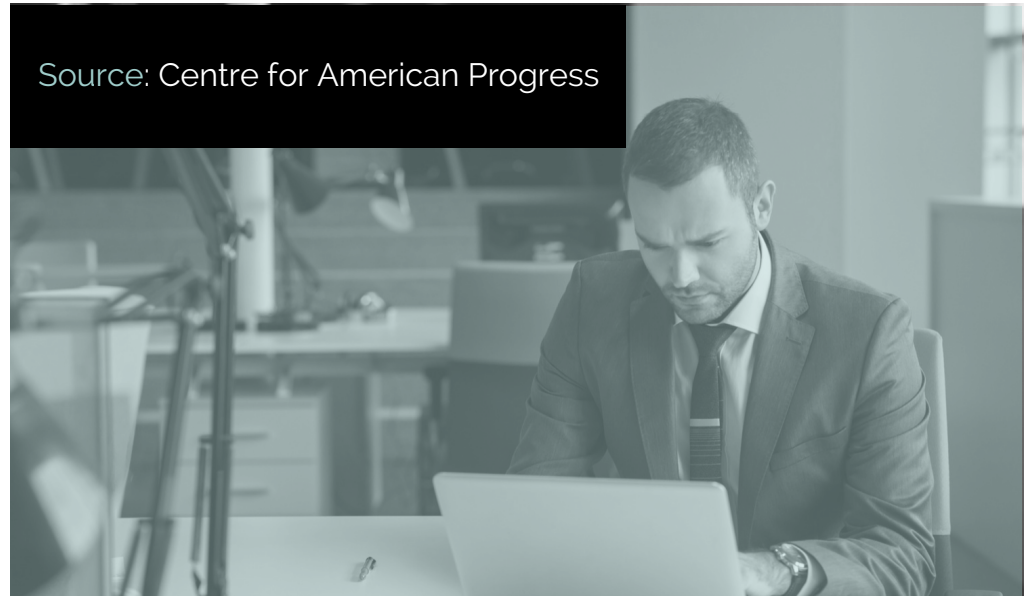
\$213,000

213% OF ANNUAL SALARY

COST TO REPLACE AN **EXECUTIVE LEADER**



Source: Centre for American Progress



1/5

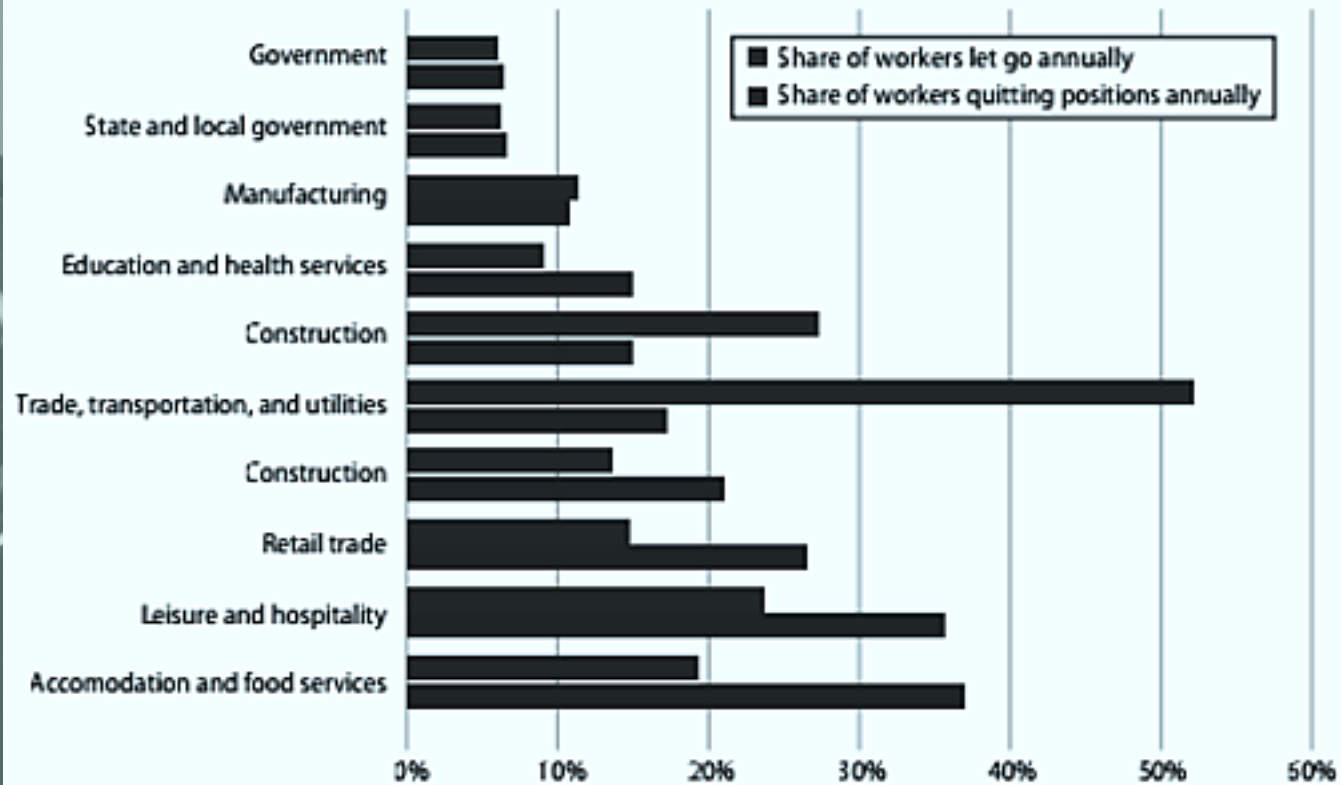
of workers
voluntarily leave
their job each year

1/6

of workers
are fired or let
go involuntarily

Job losses by industry

Share of workers who quit or were involuntarily let go by industry, 2011



Source: Bureau of Labor Statistics, Job Openings and Labor Turnover Survey - January 2012

COST OF A BAD HIRE

According to Forbes

POSITION TYPE	% OF SALARY
NON-SKILLED	30-50%
SERVICE/PRODUCTION	40-70%
ADMINISTRATIVE	50-80%
SKILLED HOURLY	75-100%
PROFESSIONAL	75-125%
TECHNICAL	100-150%
SUPERVISOR	100-150%



Source: Forbes

A red apple and an orange are positioned side-by-side on a light blue background. The apple is on the left, and the orange is on the right. A black horizontal bar is overlaid on the left side of the apple, containing the text 'EXPENSE # 2'. The main title 'INDIRECT COST' is written in large white letters across the center of the image, overlapping both fruits. Below the title, a line of italicized text provides a definition.

EXPENSE # 2

INDIRECT COST

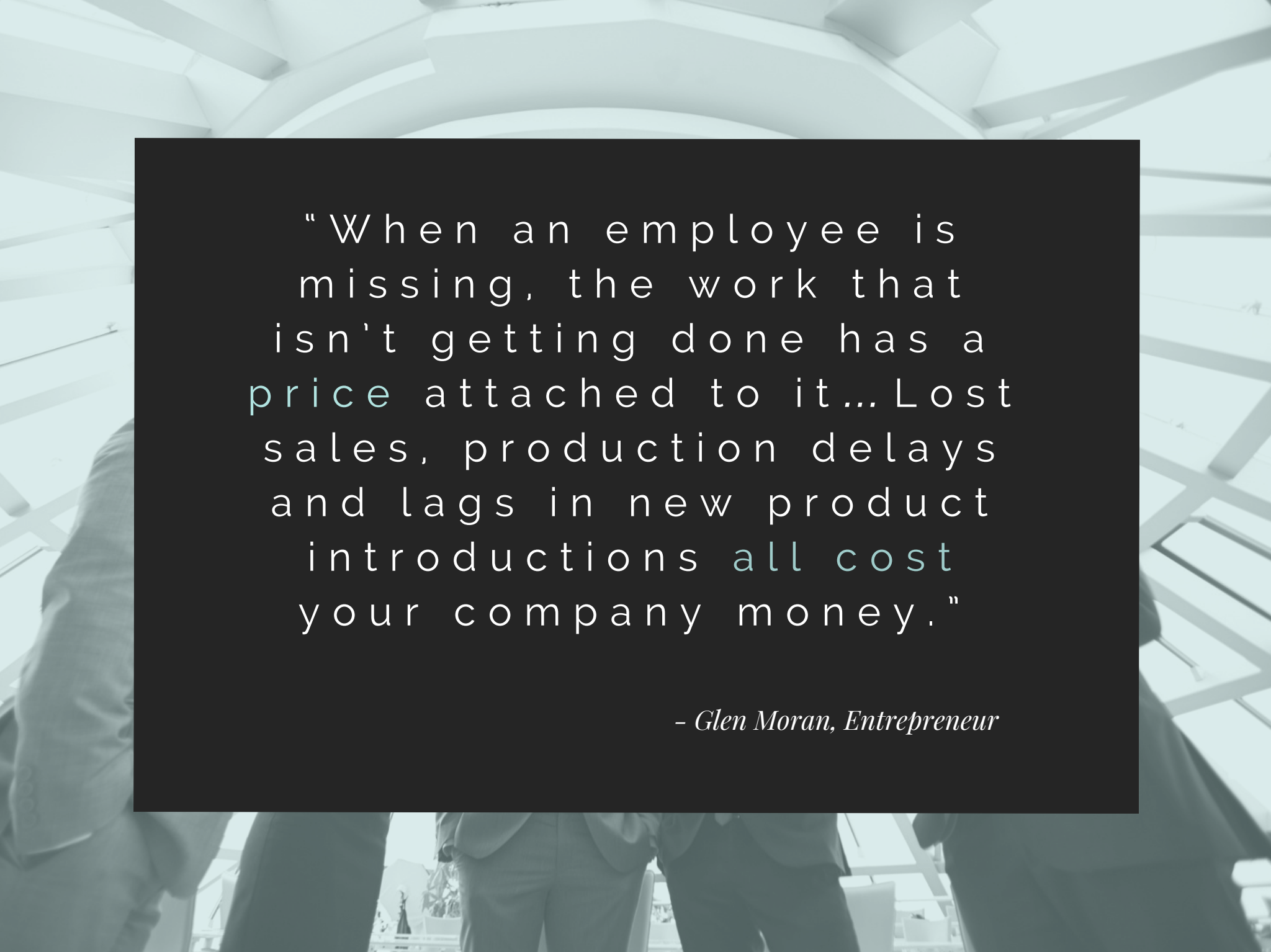
All costs indirectly associated with the loss of an employee and their replacement



PRODUCTIVITY

MORALE

REPUTATION



“When an employee is missing, the work that isn't getting done has a price attached to it... Lost sales, production delays and lags in new product introductions all cost your company money.”

- Glen Moran, Entrepreneur



Psychological
Factors



Workload
Factors



**Diminished
Company Morale**



Source: Experts Exchange

Reputation

Customers Notice

If low customer satisfaction persists long enough after the outstanding employee leaves, the credibility of management—and eventually the company itself—can also be placed at risk.