



# COST OF TURNOVER

A COMPREHENSIVE GUIDE

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A background image showing two women in an office setting. The woman on the left is wearing glasses and a light blue shirt, looking down at a calculator. The woman on the right is wearing a blue shirt and a grey vest, also looking down at a calculator. They are surrounded by papers and office supplies. A semi-transparent blue overlay covers the entire image.

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

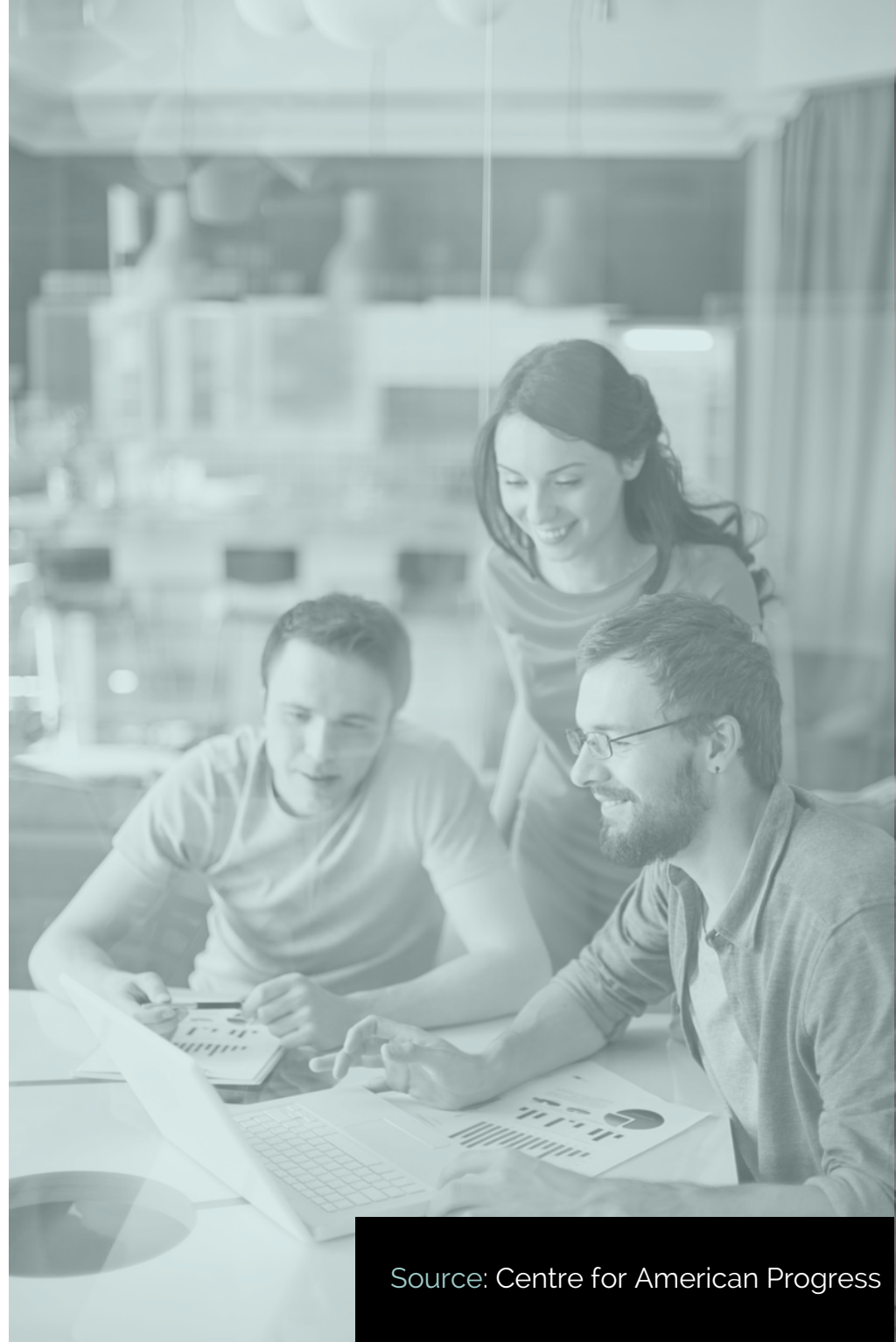




# \$8,000

*20% OF ANNUAL SALARY*

COST TO REPLACE **MID-RANGE** EMPLOYEE



Source: Centre for American Progress

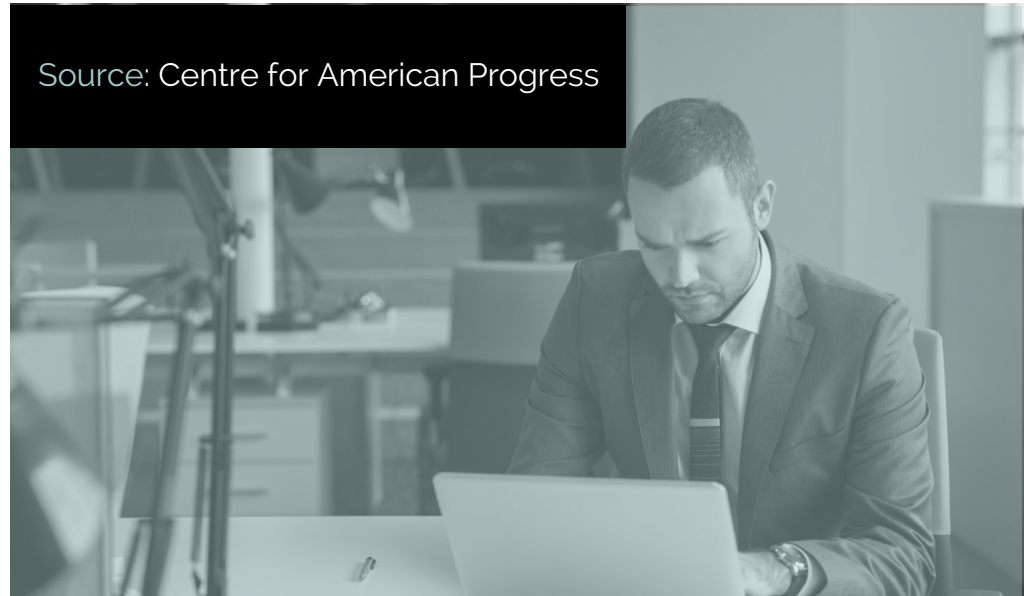
# \$213,000

*213% OF ANNUAL SALARY*

COST TO REPLACE AN **EXECUTIVE LEADER**



Source: Centre for American Progress



**1/5**

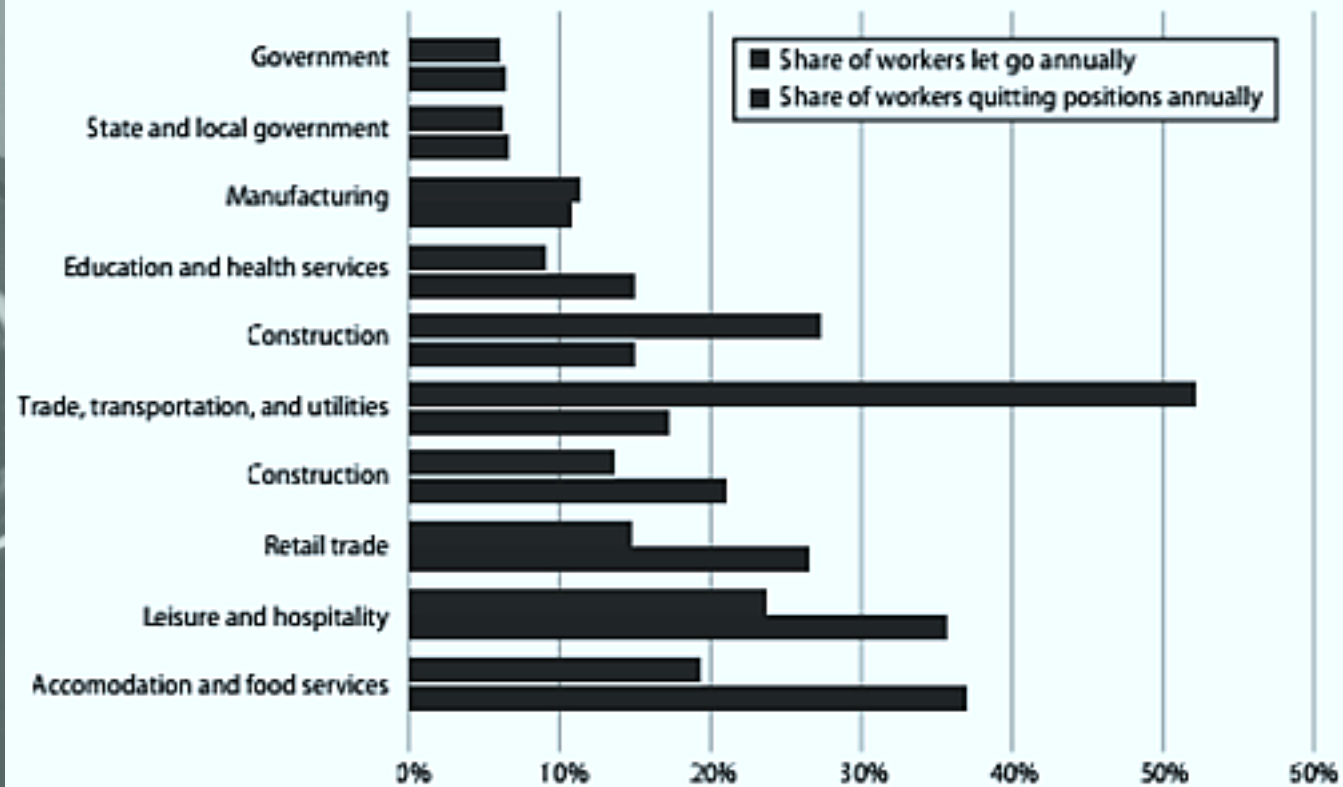
of workers  
voluntarily leave  
their job each year

**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 middle of the image, partially overlapping both fruits. Below the title, a line of italicized text reads 'All costs indirectly associated with the loss of an employee and their replacement'.

EXPENSE # 2

# INDIRECT COST

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

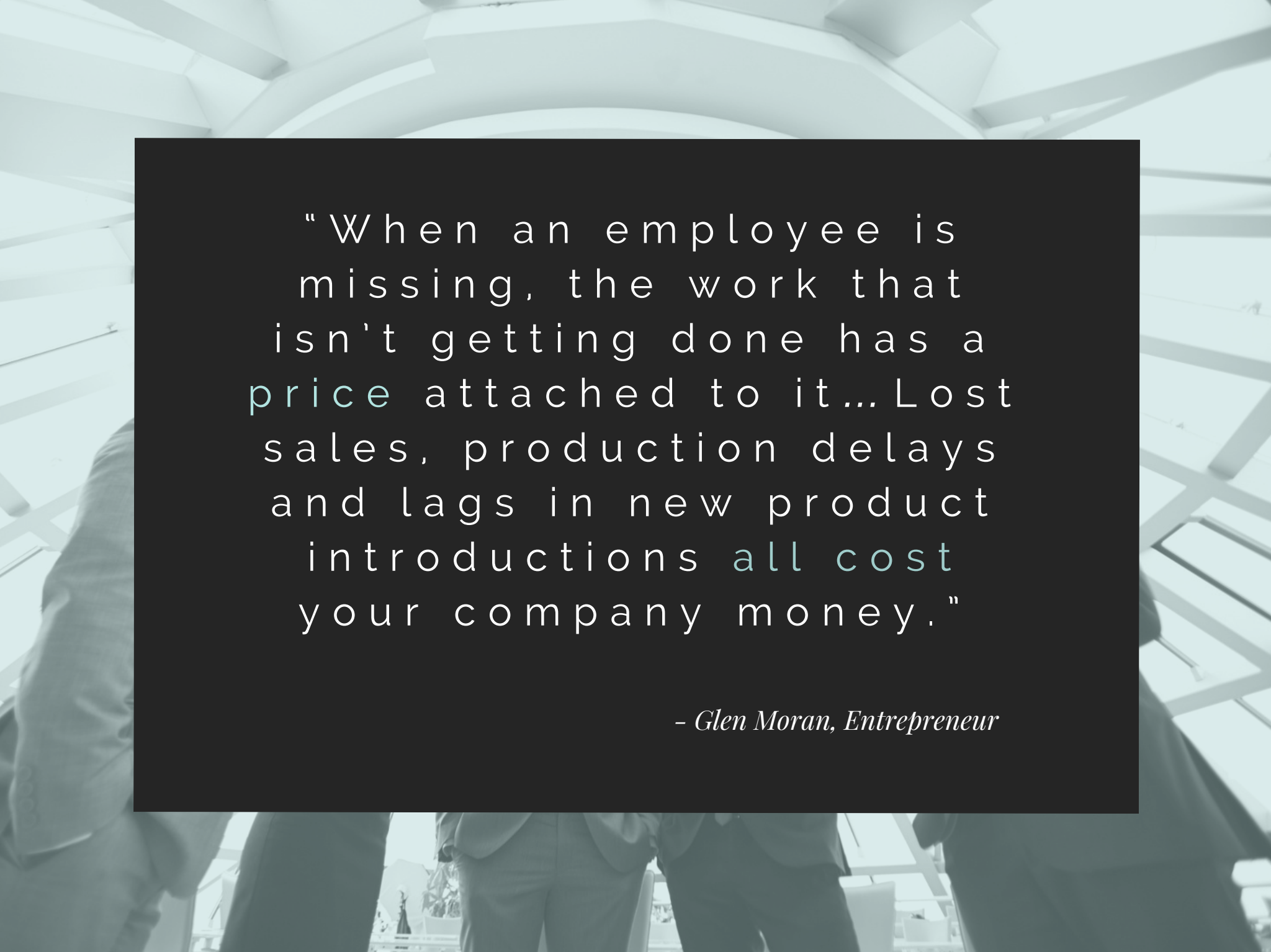


PRODUCTIVITY

MORALE

REPUTATION

Source: Experts Exchange



"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.*

**Contact Predictive Success to learn  
how you can use analytics to  
reduce your turnover:**

**Email: [info@predictivesuccess.com](mailto:info@predictivesuccess.com)**

**Phone: 905.430.9788**

**2 Questions. Infinite Insights.**