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Employee Turnover Cost Factors

1



Benchmark Employee Cost

The total departed employee's compensation (salary and benefits). You can break this data into daily and monthly rates to accurately prorate across the time the position remains open.

2



Vacant Position Coverage Cost

The number of days the position remains empty multiplied by the daily rate provided in your benchmark costs. This is essentially how much it is costing your company to cover the position. And, since it is likely being covered by other resources, this cost is caused by offsetting other priorities that are likely getting sidelined to fill the void.

3



Cost to Fill the Vacant Position

The total cost associated with all talent acquisition – advertising, screening, selection. This includes the consideration for the HR and/or hiring manager's salary, advertising costs, assessments, testing, and/or background checks, and the cost of all time spent by employees involved in the interviewing process.

4



On-boarding & Orientation Costs

The cost of all time spent by a trainer and/or the hiring manager to on-boarding and get a new-hire up to speed.

5



Productivity Ramp-up Cost

The cost associated with a new employee ramping up and learning the ropes. This is usually calculated based on a 60 to 90-day period where the new-hire is doing more learning than producing. The new-hire's daily salary and benefits expense is often used here.