

The Foresight Institute Staff Turnover Cost Calculator

Ford Training Group Ltd T/A
The Foresight Institute
 7 Ascension Place, Mairangi Bay
 PO Box 101 611
 North Shore 0745 Auckland
 New Zealand
 Tel: 64 9 478 4066
 Fax: 64 9 478 4077
 email: services@foresight.co.nz
 www.foresight.co.nz

To calculate the cost of losing and replacing one employee:

Step 1	Enter the recruitment and employment costs? =	\$ 7,500.00
	(Recruitment agency fees, advertising, interviewing time, relocation expenses, etc. Some research shows that it takes the equivalent to 6 weeks of a managers time)	
Step 2	Enter the cost of employing a temp. while you fill the position? =	\$ 6,000.00
Step 3	Enter the cost of unproductive time? =	\$ 7,500.00
	(Training the temp. & Training the new person)	
Step 4	Enter the miscellaneous expenses? =	\$ 1,750.00
	(Admin, secretarial, etc.)	
Step 5	Enter the costs of the impact on customers? =	\$ 2,500.00
	(Lost orders, dissatisfied customers)	
	Add up the costs in steps 1 to 5.	
TOTAL	THIS IS THE TRUE COST OF LOSS AND REPLACEMENT =	\$ 24,650.00
Step 6	Now enter the total number of people who are replaced each year, and this shows the true, but hidden cost of staff turnover.	2
TOTAL	TOTAL COST OF ANNUAL REPLACEMENT STAFF =	\$ 49,300.00

IMPACT The cost of replacing employees does not show up in the monthly reports, but it is having a drastic effect on the bottom-line of the business.

ACTION If you want to get those costs under control and put the dollars back on the bottom-line, contact us at Foresight for an obligation free discussion on how we help clients overcome this business problem.

BENEFIT If you can cut the costs of replacing employees how would your business benefit? What parts of the business are being starved of the funds needed for other projects?

CONTACT email: services@foresight.co.nz
 web: www.foresight.co.nz
 Tel: + 64 9 478 4066

To calculate the cost of losing and replacing one employee:

Step 1 Enter the recruitment and employment costs? = _____
(Recruitment agency fees, advertising, interviewing time, relocation expenses, etc.
Some research shows that it takes the equivalent to 6 weeks of a managers time)

Step 2 Enter the cost of employing a temp. while you fill the postion? = _____

Step 3 Enter the cost of unproductive time? = _____
(Training the temp. & Training the new person)

Step 4 Enter the miscellaneous expenses? = _____
(Admin, secretarial, etc.)

Step 5 Enter the costs of the impact on customers? = _____
(Lost orders, dissatisfied customers)

Add up the costs in steps 1 to 5.

TOTAL THIS IS THE TRUE COST OF LOSS AND REPLACEMENT = _____

Step 6 Now enter the total number of people who are replaced each year, and this shows the true, but hidden cost of staff turnover. _____

TOTAL TOTAL COST OF ANNUAL REPLACEMENT STAFF = _____

IMPACT

The cost of replacing employees does not show up in the monthly reports, but it is having a drastic effect on the bottom-line of the business.

ACTION

If you want to get those costs under control and put the dollars back on the bottom-line, contact us at Foresight for an obligation free discussion on how we help clients overcome this business problem.

BENEFIT

If you can cut the costs of replacing employees how would your business benefit? What parts of the business are being starved of the funds needed for other projects?

CONTACT

email: services@foresight.co.nz

web: www.foresight.co.nz

Tel: + 64 9 478 4066