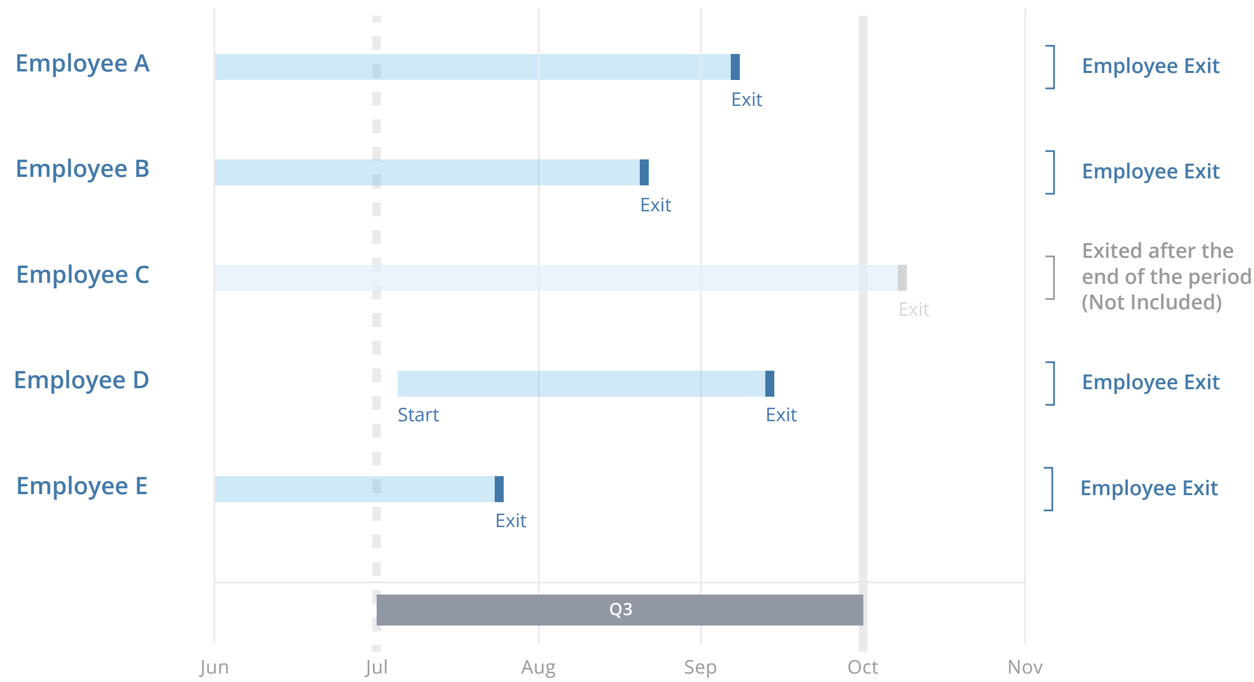
Annualized Calculation

Annualization takes the rate and calculates what it would be over a year.

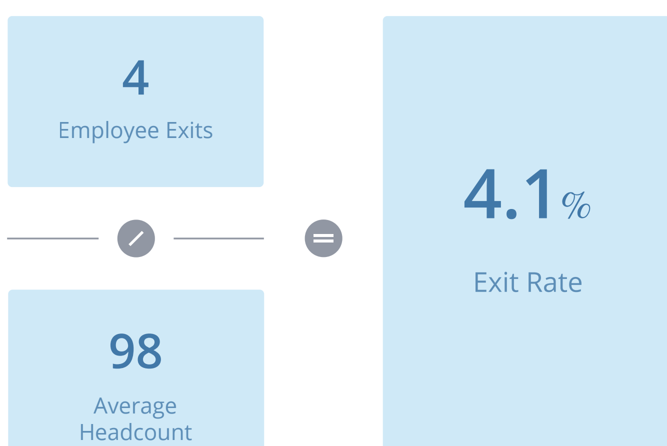
Annualization is done at a daily granularity of the selected period allowing us to be more precise and account for differences in the length of months. This means January and February are counted differently because January has 31 days and February has 28 days.

Annualization lets you normalize and compare periods of different size. This means that you can compare a month to a quarter to a year.

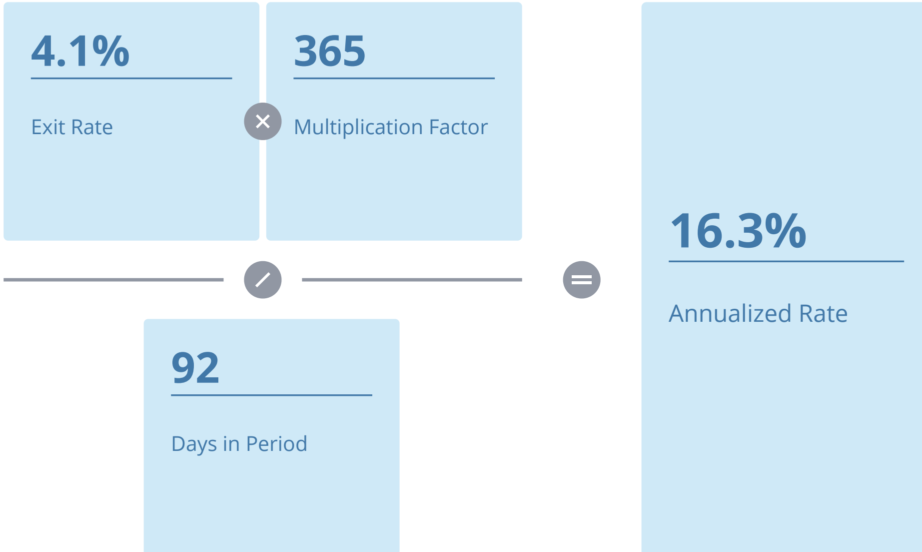
For example, let's say there is an analysis population with 6 employees. As we can see from the diagram below, those who exited during the period are counted in the calculation. In this case, there are 4 employee exits in Q3.



Let's say the organization had an Average Headcount of 98 in Q3. The rate would be calculated as follows:



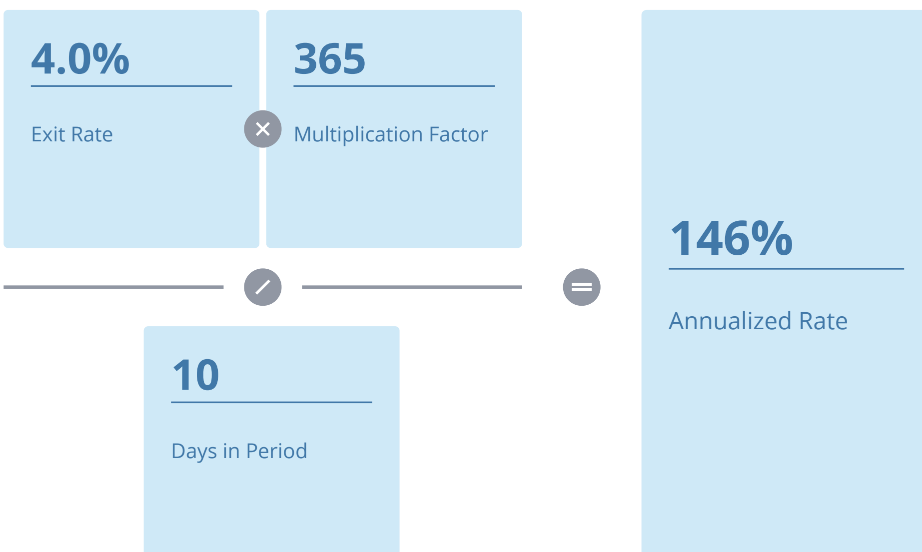
Since the exit rate is measured for one quarter, the annualized rate would be calculated as follows:



NOTE: The calculation uses a multiplication factor of 365 days per year. This value is not customizable.

Annualization and Partial Periods

If a partial period is selected, the available range of data will be used. For example, you select the latest month for analysis, where only 10 days of data have been loaded. During the period, 4 employees left out of an average headcount of 100 resulting in an exit rate of 4.0%. The annualized rate for the partial period is calculated as follows:



NOTE: Due to the potential spikes in data, we recommend that you select complete periods for analysis in the Time picker when looking at annualized rates.