

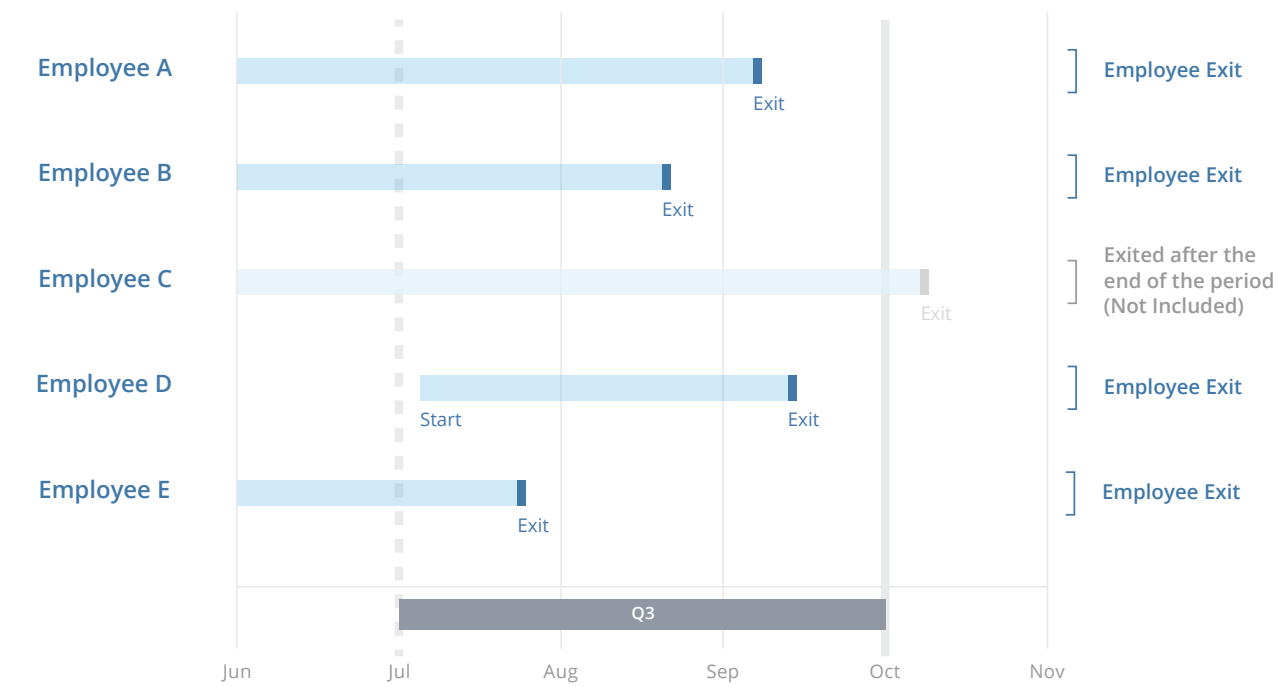
Turnover Rate

Turnover shows the number of employees who left the organization, both voluntarily or involuntarily. By knowing the rate for different employee groups, you can better identify areas of concern, look into the causes of turnover, and understand whether or not it is healthy for the organization.

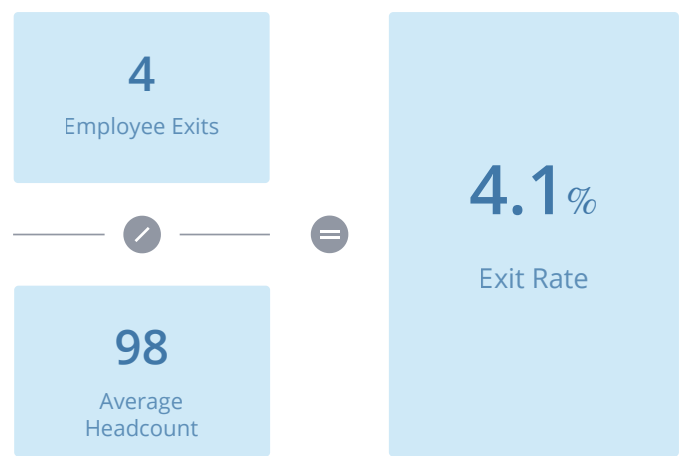
Calculation details

The percentage of employees who exited, during the period. It is calculated using the number of employees who exited and the Average Headcount for the analysis period.

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:



This metric can also be calculated as a trailing twelve month (TTM) rate.

Guidance

Why look at Turnover?

Turnover can be costly to an organization in many ways, including the actual cost of replacing employees, losing top talent, as well as lower morale and shifts in culture.

Turnover looks at all employee exits, regardless of exit reason. So it is a good starting point and often the first indicator to identifying retention issues in the organization.

What to look for

Every organization will have different perspectives on what is considered good and bad turnover. It is all relative to the context of the business, as well as who is leaving and what parts of the organization they are leaving from.

While the overall turnover value for the organization can indicate organizational health, a detailed view can identify potentially hidden areas of concern.

For example, the number of people in your organization and its different departments plays a key role in identifying the context of turnover. While an organization with 1000 employees may not see a turnover rate of 1% as an issue, if it turns out that the 1% of people leaving are all employees leaving from the same department, then it can indicate that there is an issue. However, if you look at a specific population and find for example that there is a 20% turnover rate in the Executive department, but it only means that 1 out of 5 employees are leaving, then it may not be as alarming.

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