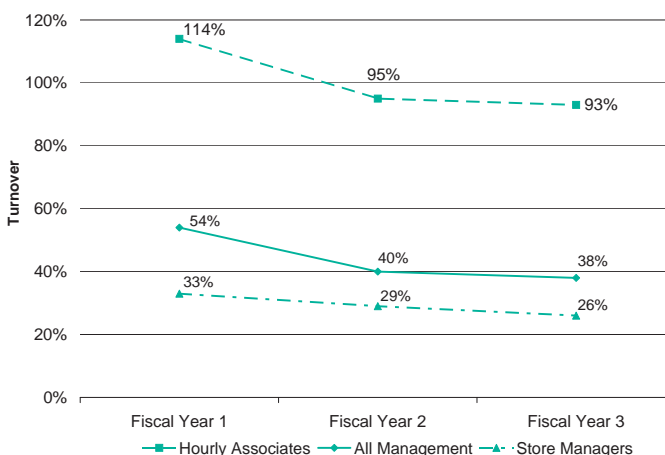


Between labor shortages and competitive pressures, retention of employees is a key issue. Conservative estimates place the cost of turnover at 25 percent of annual salary plus benefits. * For a 2,000-employee company with an average salary and benefit package of \$60,000, the annual costs could be as much as \$4 million.

True turnover costs, however, are more complex than simply realizing the average cost of replacement. Additional costs include investment in development, value of knowledge, experience gained, and productivity lost.

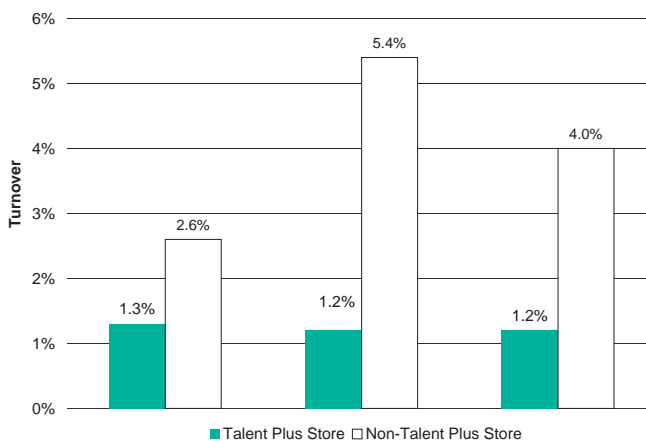
DECREASED TURNOVER

A retail store chain with over 600 stores saw dramatic decreases in turnover through the utilization of the Talent Plus Quality Selection Process[®] (QSP[®]). Turnover reduced 29 percent, 16 percent and 7 percent for hourly associates, all management and store managers, respectively.



NEW-STORE TURNOVER

A store that utilized the Talent Plus QSP experienced 2.8 percent less turnover per month in its first two months of operation – or a projected 34 percent decrease in annual turnover – than a store that did not utilize the Talent Plus QSP in their staffing processes. When opening a store, a company needs to lead with its best. Having employees who realize the importance of a first impression, have passion, and are in the right job specific to their talent leads to less turnover. Moreover, satisfied employees lead to satisfied customers.



When focus is given to selecting the right individuals through the Talent Plus QSP, employee retention increases and turnover decreases. Rather than simply hiring candidates, QSP allows managers to select candidates that best fit an appropriate role and the company's culture.

*Saratoga Institute and Kepner-Tregoe, Inc.