

## EMPLOYEE TURNOVER COST CALCULATION

### Employee cost

Departing employee annual base salary	62400
Calculated monthly salary + benefits	5200
Calculated daily salary + benefits (230 working day, 8hrs/day)	240

### 1. Cost of 'covering' a vacant position

Number of days until the vacant position is filled	5
Calculated daily cost of 'covering' a vacant position	79.20
33% of departing employee's daily salary + benefits	

**Total cost to 'cover' vacant position** \$ **396**

### 2. Cost to fill a vacant position

HR/Hiring manager's annual salary	133744
Cost of advertising (online and/or print)	350
Cost of resume screening	150
Cost of interviews (telephone screening, 1st and 2nd)	1029
Cost of behavioural and skills assessments	150
Cost of background checks (criminal, credit, reference, education)	150
Cost of travel/moving expenses (if applicable)	
Calculated HR/Hiring manager's hourly rate	64.3

**Total cost to fill a vacant position:** \$ **1,829**

### 3. Onboarding and Orientation cost

Trainer/Manager annual salary	144000
Calculated trainer/manager daily rate	626.09
Total training days	5

**Total onboarding and orientation cost** \$ **3,130**

### 4. Cost of productivity ramp-up

Number of working days during first 3 months	70
Daily employee cost salary + benefits	240.00

**Cost of productivity ramp-up** \$ **16,800**

**TOTAL TURNOVER COST PER EMPLOYEE CHURN** \$ **22,155**

**Assumed employee turnover rate** 8%

**Number of employees lost (in the last 12 months)** 117.6

**TOTAL COST OF EMPLOYEE TUR OVER PER YEAR** \$ **2,605,456**

**SAVING BY REDUCING 10% OF TURNOVER PER YEAR** \$ **260,546**

*Turnover cost template is referenced from <https://au.drakeintl.com/clients/calculate/>*