



Turnover.
Retention rate.
Turnover rate.

Turnover: defined



Many employers use the terms “retention rate” and “turnover rate” interchangeably, while others feel one is simply the inverse of the other



The retention rate, sometimes referred to as the “stability index,” measures the retention of particular employees over a specified period of time and complements the turnover rate metric, giving a more complete view of worker movement than calculating either metric alone

Retention Rate + Turnover Formulas

The basic formula for calculating retention:

of individual employees who remained employed for entire measurement period

— DIVIDED BY —

of employees at start of measurement period) x 100

The basic formula for calculating turnover:

of separations during the measurement period

— DIVIDED BY —

average # of employees during the measurement period) x 100

Turnover Rate Calculation:

- 175 people employed in January
- 50 employees left by the end of the month
- A simple turnover rate is 50 divided by 175, which equals 28.6%

Number of Leavers	Divided by	Number of People Employed	Times 100	Equals	Your Turnover Rate
(50	÷	175)	X 100	=	28.6%

Key Turnover Causes

Unfairness

- *Diversity & inclusion*
- *Sexual harassment*
- *Stereotyping*
- *Micro-aggressions*
- *“62% say they would have stayed if the company had taken steps to create a more positive and respectful work environment”*

Lack of Growth Opportunities

Flat Salaries

Corporate Culture

Managers & Leadership

One-way communication

Lack of employee recognition

Source: Strategic Human Resource Management, 2022

Cost of Replacing Lost Talent



Employers will need to spend the equivalent of six to nine months of an employee's salary in order to find and train their replacement



For a \$60,000 salary, it will cost the company anywhere from \$30,000 to \$45,000 to hire and train a replacement

Source: SHRM, 2022

The Cost of Replacement

67%
Soft Costs

Such as reduced productivity,
interview time and lost knowledge.



33%
Hard Costs

Such as recruiting, background checks,
drug screens and temp workers.



Source: Work Institute 2022

Why **Recognition** matters...



87% of companies report employee recognition as having the largest impact on engagement.



Companies with employee recognition programs boast a **31%** *lower* voluntary turnover rate.



51% of employees say they're proudest to work at companies that promote flexibility and work-life balance.



47% say they value companies that foster a welcoming culture.



46% of professionals want to work for a company where they can make a positive impact on society.

Source: LinkedIn, 2022



Connect with us **today** to make the
most of your team and talent!

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