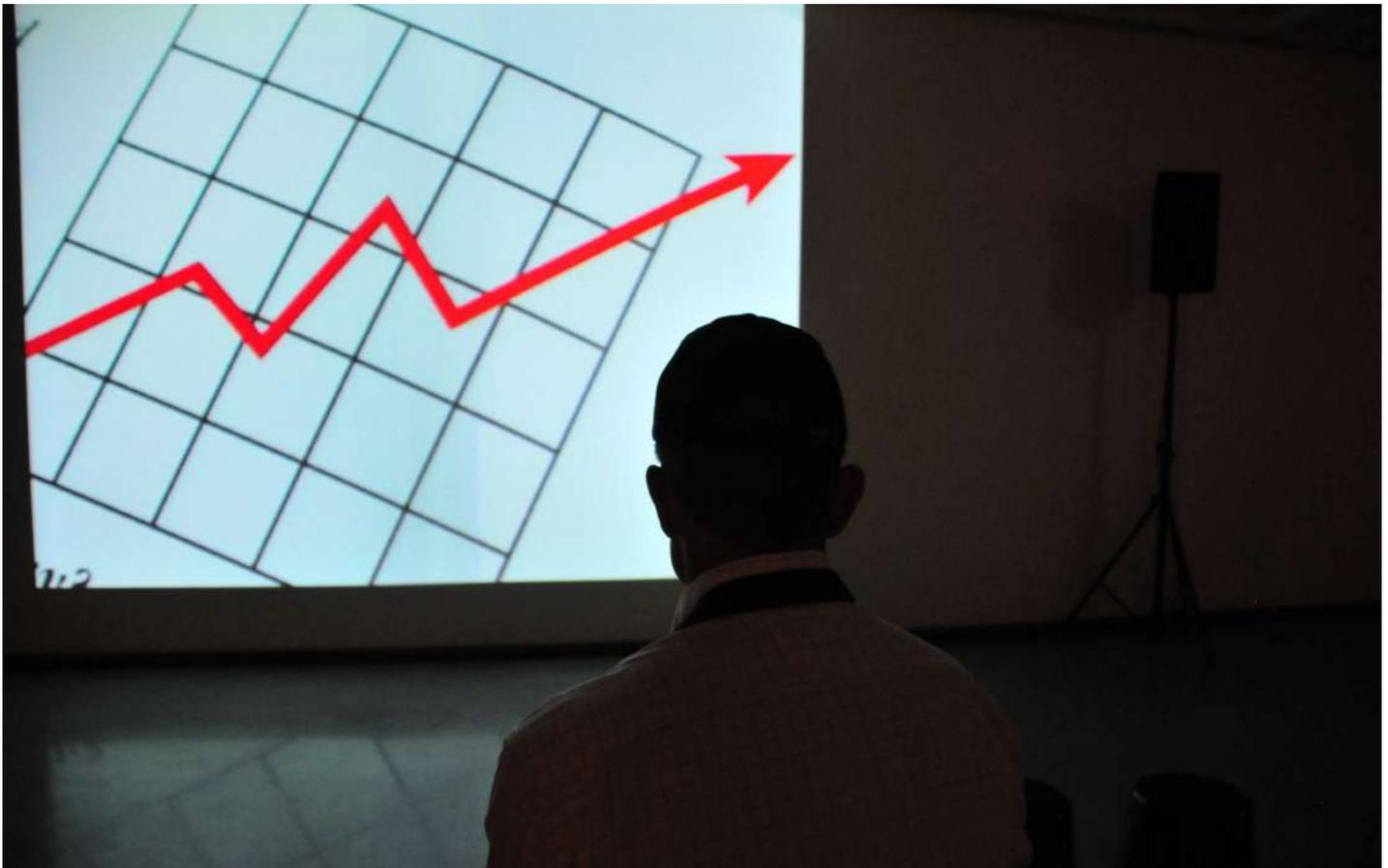


EMPLOYEE TURNOVER



The True Cost to Business

STAFF DEPOT



Most companies realize their long-term competitiveness is based in their people, but not enough businesses think critically about how to decrease employee turnover.

We've all experienced the pain of a great worker leaving, the cultural challenge connected with the departure of a favorite co-worker, or even just the uncomfortable gap that is left behind by someone who was doing an essential job well.

While the costs of losing staff members are quite real, they are mostly hidden.

Turnover doesn't directly hit the bottom line. It's not something you can find in a budget. There are some hard costs associated with turnover, like the cost to post on a job board or the cost of a recruiter. But, even if you hire through word of mouth and worker referrals, there are still costs to losing workers.

Consider the following actual costs of employee turnover.

Turnover in Productivity

When someone who was doing a job well leaves, they typically leave behind a job opening or a new hire who isn't capable of working at the same level.

If the job duties of a departed employee are simply farmed out to the remaining staff members, the most essential tasks will probably get done, but the less important tasks are at risk of being overlooked and forgotten. Furthermore, you can forget about any innovations or process improvement that might have been made by a valuable, departed employee.

More Stress

When employees get overextended, their quality of work falls as does their gratification and engagement. All of this means they are more prone to trying to find a new job. Also, the longer they remain, the more difficult it will be for you to restore their goodwill, even after you've filled the job opening.

Turnover in Experience and Granular Knowledge

Other people are capable of doing what a former employee did, but they don't have the experience or particular knowledge they had. It's not only about entering data, writing code or selling a product. It's about knowing the little software tricks, personality quirks, what management likes to see and countless other things that come from working a job for a long time. All that vanishes entirely when someone leaves. Sometimes it's more than basic business knowledge. It could be specific solutions or valuable productivity hacks.

New Employee Costs

When someone quits and needs to be replaced, it costs time, money and energy to post a job, screen candidates, interview candidates and train a new employee. Those costs only increase if you have to fly in a candidate, pay a recruiter or pay for formal training classes. Even if you're only interviewing local applicants and doing on-the-job training, you still have the expenses associated with paying hiring and internal training personnel, all of whom could be spending their time on other job duties.