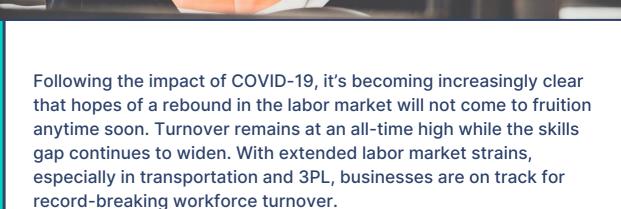
### WORKST=P

# **eBOOK:** Calculate Your True Cost of Turnover & Improve Workforce Retention





Do you know how much turnover is costing you specifically?

If you're like many organizations, you have a general idea but do not have the data to quantify in real terms the impact of a turnover event.

That's okay, you're not alone.

For obvious reasons, the focus has traditionally been on identifying the cost of a new hire. But it's just as important to calculate turnover cost because, without a true sense of the financial impact of turnover, it can be difficult to advocate for and implement a comprehensive retention strategy. Armed with the knowledge of what turnover is actually costing your organization, you can begin to identify and implement measures to retain your workforce and thus strengthen your bottom line.



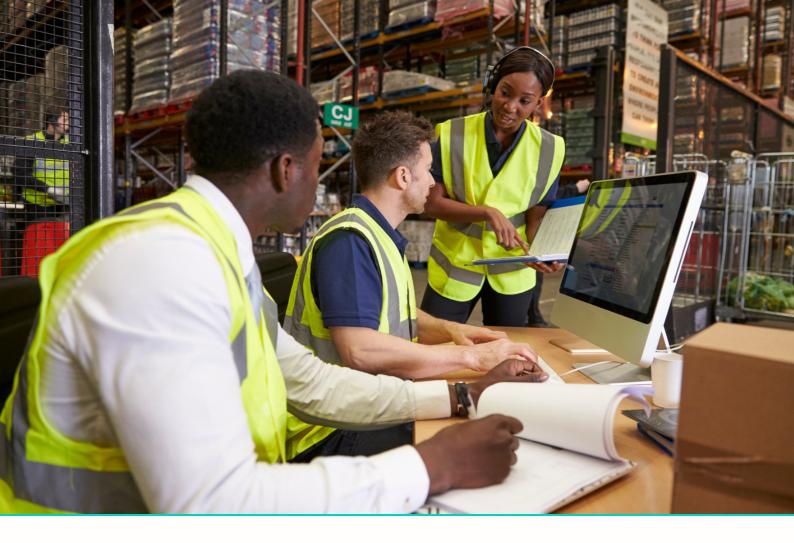
When a frontline worker leaves, the consequences gnaw away at the entire company, organization wide. Culture and morale take a hit, the ability to deliver on customer promise is compromised, efficiencies decrease, while burnout increases, and reputation starts to tarnish.

### \$12,876 IS THE AVERAGE COST OF LOSING A FRONTLINE WORKER.

Not to mention the obvious—turnover has a direct impact on cost and bottom line, including:

- Recruiting & Onboarding Advertising, interviewing, screening, hiring, and management time all come at a cost.
- Ongoing Training Companies invest 10-20% or more of an employee's salary on training, and all that walks out the door the minute an employee leaves.
- Loss of Productivity & Engagement Loss of productivity results not only from ramp-up time of the lost employee, but also from employees who remain with the company as they tend to disengage when they see high turnover.
- Cultural Impact Turnover directly dampens employee morale and team spirit. And an unmotivated workforce is an inefficient workforce.

In fact, \$12,876 is the average cost of losing a frontline worker, and it's only going to increase. Early predictions highlight that it could reach \$15,493 per turnover event in 2022 as the costs and demand for workers increases.



# We know, recognizing that turnover is harmful isn't exactly new insight.

It's not news to any of us that turnover impacts a company's bottom line. But exactly how much of an impact turnover has is often not quantified knowledge within an organization. And if we don't measure impact in concrete terms, it's impossible to perform an accurate cost-benefit analysis and focus on retention to prevent future turnover.

Our analysis reveals that cost of turnover tends to fall somewhere between \$8,000 and \$45,000 or more per event, depending on which frontline role you're replacing and the specifics of your organization. Clearly, that's a significant impact, but it's also a fairly broad range—and as we've established, it's important to be specific and determine the real cost to your organization so you can successfully measure the need for and ROI of retention strategies.

But with so many variables, how do you accurately calculate your specific turnover costs? It can be a complex exercise that has often proven to be outside the reach of many organizations, until now.

## INTRODUCING THE WORKSTEP COST OF TURNOVER CALCULATOR

WorkStep has done much of the hard work for you and created an easy-to-use calculator available to everyone so you can get a detailed breakdown of costs tailored to your business.



You'll gain insight pertaining to:

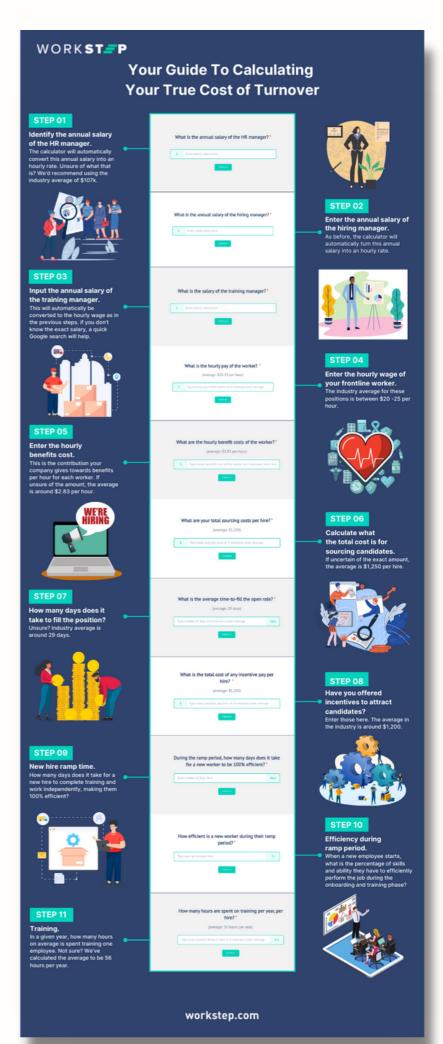
- Sourcing costs
  - Job posting and advertising for the open role
- Interviewing costs
  - Cost of interviewing candidates
- Screening costs
  - Communicating with candidates, inviting them to interview
- Incentive-related costs
  - Sign-on incentives, bonuses, and tuition reimbursements
- Overtime costs to cover time to hire
  - Remaining workers are often paid time-and-a-half as they work overtime to compensate for those who have left the company
- Training costs
  - Onboarding and ongoing training throughout the employment journey
- Productivity ramp cost
  - Total cost until a worker reaches 100% efficiency
- End-of-employment administrative cost
  - Exit interview, canceling of benefits, and collection of company assets from employee

But best of all, the above insights in summation will reveal your total cost per turnover event.

# COLLABORATION IS ESSENTIAL

As we've discussed, turnover impacts the entire organization and so, in order to calculate comprehensive turnover cost, collaboration between departments is critical to produce accurate results. Spend some time conferring with colleagues in HR, Operations, Finance and the C-suite so you're prepared to answer the questions detailed in the adjacent graphic.

Like any calculator, the outputs are only as accurate as the inputs, but don't worry if you're not entirely sure about any particular field. We've provided average values for most questions and the calculator produces immediate results, so you can always use a few placeholder values now, and run the computations again when you have access to more concrete data.



# 75% OF TURNOVER CAN BE PREVENTED

# **Turning a New Leaf Against Turnover**

Now that you have a true sense of how much each turnover event costs, extrapolate that across every employee who's left during a given period of time and it becomes painfully clear just how much turnover is costing your organization.

But here's the good news: 75% of turnover can be prevented. That's right, 75%.

Imagine slashing that obscenely high company-wide turnover number you just computed to just a quarter. But you can't prevent turnover if you don't know what's causing it in the first place and why your employees are leaving.

### Invest in your workforce.

What do frontline workers want?

The answer might surprise you. According to our analysis, first and foremost, they want career growth opportunities—followed by improvements in job expectations, safety measures, orientation, coaching, and feedback.

What about pay? Pay is important, but it ranks seventh on the list.

But don't take our word for it. Ask them.

You can't retain an employee if you don't know what they want. It's time to check in with your employees and use their specific feedback to improve retention.

That's why we created WorkStep.



### **RETAIN Your Frontline Workers**

### Source Feedback, Take Action, Reduce Turnover

WorkStep's platform empowers retention for the long run by providing a constant feedback loop throughout the employment journey.

WorkStep enables teams throughout your organization to conduct predefined and custom check-ins at a set cadence and during key employee milestones. Data is pulled into a central repository offering real-time analysis that you can leverage to draw meaningful conclusions and take action in the face of potential turnover.

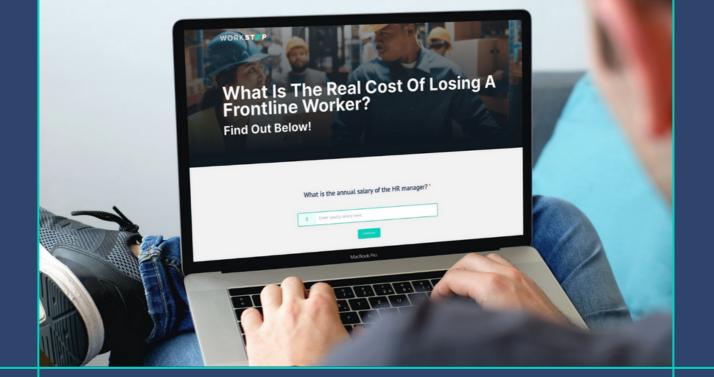
### Use WorkStep to:

- · Reduce turnover of your critical frontline workers
- Improve productivity
- Identify & solve problems proactively
- · Identify opportunities for improvement
- Track the impact of your actions in real-time
- Reduce turnover costs and protect your bottom line

Are you ready to drive value across your organization while connecting the dots between management, associates, and leadership teams?

Learn more at workstep.com





### WORKSTFP

Helping supply chain companies hire and retain their frontline workforce.

# Click Here to Calculate Your True Cost of Turnover

workstep.com marketing@workstep.com