

Calculating Turnover Costs	
Separation Processing Costs:	
+ cost of exit interviewer's time (60 minutes @ \$16 x 135%)	
+ cost of departing employee's time (30 minutes @ \$20 x 135%)	
+ cost of administrative functions relating to the departure (2 hours @ 14 x 135%)	
+ cost of separation pay associated with departure (40 hours @ \$20)	
+ cost of unemployment tax related to the departure (assumes account reimbursement of 4 weeks @ \$337)	
Replacement Hiring Costs:	
+ cost of attracting applicants (annual ad budget / number of positions filled)	
+ pre-employment administrative expenses (3 hours @ \$24 x 135%)	
+ cost of entrance interviews (5 interviews @ 1 hour x 2 interviewers @ \$30 x 135%)	
+ cost of aptitude, skill, drug, etc., testing (30 minutes @ \$14 x 135% + \$16 + \$25)	
+ cost of hiring decisions meetings (1 hour x 2 interviewers @ \$30 x 135%)	
+ post-employment information gathering (records, payroll, etc.) (1 hour @ \$14 + 1 hour @ \$20 x 135%)	
+ cost of conducting reference checks (2 hours @ \$14 x 135%)	
+ cost of signing bonus (if applicable)	
Training New Hire Costs:	
+ cost of information literature (manuals, brochures, policies, etc.)	
+ cost of general orientation	
+ cost of job orientation (unit orientation 80 hours @ \$20 + 40 hours @ \$25 x 135%)	
Lost Productivity and Lost Business Costs:	
+ cost of additional overtime to cover the vacancy (20 hours @ \$30 x 135% x 6 weeks)	
+ cost of additional temporary help (20 hours @ \$37 x 6 weeks)	
- wages and benefits saved due to the vacancy (40 hours @ \$20 x 135% x 20%)	
+ cost of performance differential while new employee gets up to speed (96 hours @ \$20 x 135% x 20%)	
+ cost of low morale-related time wasted due to "water cooler grumbling" (1 hour @ \$20 x 135% x 5 days x 6 weeks)	
+ cost of lost customers, sales, profits due to the departure (gross profit loss per patient \$3,100 per day x 3.5 days x 25% profit margin)	
+ cost of additional employee departures related to the departure (if just one other nurse leaves, the cost is equal to the total of these costs)	
Total	