

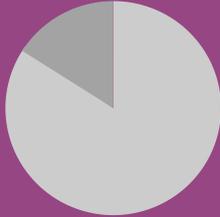
EMPLOYEE REPLACEMENT

AND HOW MUCH IT COSTS



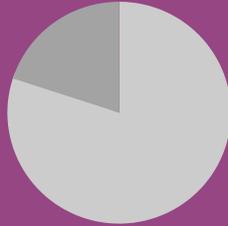
HOW MUCH DOES EMPLOYEE TURNOVER COST FOR...

LOW EARNERS



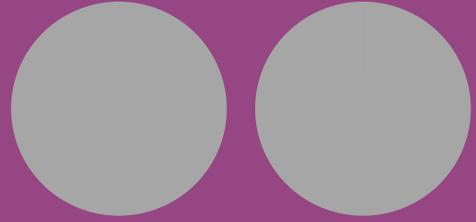
16% of their annual pay

AVERAGE EARNERS



20% of their annual pay

TOP EARNERS



over 200% of their annual pay



In the **U.S.**, employee turnover costs about **6-9%** of the specific employee's monthly pay, on average



In the **United Kingdom**, the average cost of replacing an employee can reach **£30,000**



In **Asia**, the cost of employee turnover is about **\$12,000** annually, for one employee.



EMPLOYEE TURNOVER COSTS AROUND THE GLOBE

(O'Connell & Kung, 2007; Boushey & Glynn, 2012)

Accumulated value of employee turnover totals to over

£4 BILLION

in these industries:



Retail



IT and Tech



Advertising



Accounting



Legal

46%

of Singaporeans are more likely to quit their jobs within a 12 month period



38%

of Americans are likely to quit their jobs within a 12 month period



(Boushey & Glynn, 2012)

6 COSTS OF REPLACING YOUR EMPLOYEES



Reduced productivity

New employees are unfamiliar with the environment so they would need time to sync with the rest and become optimally productive.

In this period, organisations will feel the effects through significant drop in total output and decreased profits.

(Duda & Žůrková, 2013)

Expensive hiring costs

Finding the best replacement require time and resources.



Recruiter charges are normally \$40/hr, so one 2-hour interview can cost you \$100.

In the UK, it can cost as much as £200.



(Bauer, 2010)

Training & Orientation Costs

training new employees is expensive and a form of risk.

The average cost of training a new employee can reach up to \$1000.



Disconnected Workforce

The ratio of new employees to old ones increases and old employees can get tired of establishing connections.

This leads to lower employee engagement and thus, lower productivity.



Loss of expertise

Losing employees means losing valuable skills that might never be replaced. To hunt for replacements, this will consume even more of your time, finances and other resources.

(Bauer, 2010)



Customer service glitches

New employees are prone to be slow or bad at coming up with solutions for urgent issues and problems.

They can fail to attend well to customers as compared to the previous employees. The organisation can then lose customers, severely impacting its growth.

Employee turnover is an enemy of progress, and organizations need to adopt new strategies that will help them curb the rising employee turnover issue.