



DO YOU



keep replacing or reward and retain?

Comparing the costs of employee turnover vs. employee engagement

When an employee leaves an organization, it can take an average of **58 days**¹ and cost an average **\$15K**² to find a replacement.

58 + \$15K

3.7%

Employee turnover is inevitable. In 2019, pre-COVID, the average annual turnover rate was **3.7%**³.

For a company with **10K employees** that = a loss of **370 employees** annually.

10K = 370

370 = \$5.5M

@ **\$15K** for 1 person, x **370 employees** that = **\$5,550,000** in replacement costs.

THE BOTTOM LINE:

An organization with 10K employees could **spend \$5.5M** to replace turnover.

VS.

So, let's look at the numbers to implement an Employee Recognition Program for those same **10K employees**, to reduce turnover and increase engagement.

10K

\$4K + 8-12

It could cost approximately **\$4K** to implement, and take approximately **8-12 weeks** to launch.

Highly engaged workplaces experience **59% less turnover**⁴, reducing that 370 employee loss to only 218.

59%

218 = \$3.3M

@ **\$15K** for 1 person, x **218 employees** that = **\$3,270,000** in replacement costs.

If we set a rewards and recognition budget of **\$25 per employee**, that = **\$250K**.

\$25/PE = \$250K

\$2M

Adding together the program implementation costs, rewards budget and reduced turnover replacement costs = **\$3,524,000**, a savings of **\$2M**.

THE BOTTOM LINE:

That same organization could **save \$2M** of that spend, by setting up a program that rewards and retains their employees.

Sources:

1 Resources.workable.com "The cost of replacing an employee - it's more than you think"

2 HRDive "Study: Turnover costs employers \$15,000 per worker"

3 Betterteam.com "What is Employee Turnover?"

4 Gallup Employee Engagement Survey



Inspirus.com

