Calculating the Cost of Turnover
Consequences of Negative Turnover

• Lower Productivity
• Lower Quality of Service
• Morale Problems
• Strength and Cohesion
• Increased Complaints and Liability
Turnover from Top and Bottom

• Lost of Lower Ranking Officers Have be the Focus of Most Agencies
• Many Agencies Now Losing Seasoned Veterans to Retirement
• Void in the Middle
  – Continuity of Service Delivery
  – Succession Management
Separation Costs

Salary of Supervisor for Exit Interviews

Administrative Costs for Processing Resignation (Payroll/COBRA etc…)

Administrative Costs for Changing Computer Security Codes
Selection Costs, Cont.

- Salary of Staff and Officer to Return and Inspect Equipment
- Selection Costs Invested in Officer (Use Employee Costs as a Guide)
- Training Costs Invested in Departing Officer (Use Training Costs as a Guide)
Recruitment Costs

• Annual Advertising/Recruitment Costs Divided by the Number of New hires
• Salary of Recruiters Divided by Number of New Hires
• Expenses of Recruiters Divided by Number of New Hires
• Hiring Bonuses Paid by Department
Selection Costs

- Total Costs of Tests Divided by Number of Officers Hired
- Costs of Review Board Members’ Salaries Divided by Number of Officers Hired
- Cost of Officers Salary Administering Physical Agility
- Costs of Medical/Drug/Psychological Screening
New Employee Costs

- Salary to Complete Employment Paperwork
- Salary for Payroll Personnel to Set Up New Employee
- Department Costs for Computer Security Codes
- Cost of New Uniforms and Equipment (include travel costs if applicable)
- Salary of Staff to Issue Equipment
Training Costs

• Costs of Orientation/Field Training Material

• Recruits’ Salary and Benefits During Academy Training

• One half of Field Training Officers Salary

• Recruits’ Salary During Field Training
Training Costs Cont.

- Recruits’ Travel Expenses During Training

- Recruit Salary/Travel Costs for In-Service and Advanced Training
Other ‘Soft’ Costs

• Overtime to Cover Vacancies
• Loss of Productivity Before Employee Departs
• Loss of Knowledge and Experience
• Supervisor Disruption (correcting mistakes, lower quality of work by new employee)
• Peer Disruption (lower morale, increased workload)
Final Computations

Add the five areas together

Calculate an average cost per officer
Determine Reasons for Leaving

• Using Exit Interview/Employee Surveys/Facilitated Groups/Personal Interviews
  – Competitive Salaries
  – Management Techniques
  – Career Development Opportunities
  – “Fit” with the Organizational Values
Using the Information

Develop a Recruitment and Retention Plan

– Budget Presentations
– City Council/Committees
– News Media
– Civic Clubs
Secret to Employee Retention

Make the Organizational Environment So Good that it is Too Painful to Leave
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