

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 is 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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