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INTERACTIVE WORKBOOK

# Calculating the cost of employee attrition and disengagement

Calculators to help you guide learning investment discussions



## Demonstrating business value is part of your job

Leadership teams are craving impact data, but measuring the actual transfer of learning is difficult.

Here are two calculators that will demonstrate the cost of disengagement and attrition, straight from Dr. Britt Andreatta's course ***Organizational Learning and Development***. This will help you articulate the urgency behind the need for learning to leadership teams. Use this workbook as a tool to more effectively communicate how your learning initiatives can support and align to business goals.



## CALCULATOR 1

### Cost of attrition

We all know that employee retention is important, and you'll certainly hear leaders talk about it, but most have not fully appreciated the financial costs of losing a top performer. This is where you have the opportunity to act as a strategic business partner.

**Plug your unique salary data into this calculator** to articulate how investment in learning can positively impact attrition rates, decreasing them over time as you continue to invest in your talent. The cost of attrition will get leaders to sit up and take notice of how L&D can help impact their bottom line.



For each employee lost, the cost to the company could be **50%–250%** of his/her annual salary. (SHRM)

#### TECHNICAL/LEADER-LEVEL EMPLOYEE

Annual Salary + Benefits

**\$125,000**

SHRM %

**x 250%**

**COST TO REPLACE  
EACH EMPLOYEE**

**\$312,500**

#### ENTRY-LEVEL EMPLOYEE

Annual Salary + Benefits

**\$50,000**

SHRM %

**x 50%**

**COST TO REPLACE  
EACH EMPLOYEE**

**\$25,000**



## CALCULATOR 2

### Cost of disengagement

This means employees are unhappy and acting out that unhappiness at work in the form of tardiness, missed workdays, and decreased productivity. In fact, Gallup has estimated that a disengaged employee costs an organization approximately \$3,400 for every \$10,000 of salary, or 34%. Yikes!

**Use this calculator to plug in your own data on the cost of disengagement.**

When leaders see the overall and real costs of disengaged employees, they get very focused on prioritizing building an engaging work environment.

Headcount

**200**

Disengagement rate

**x 17.2%**

# disengaged employees

**= 34**

Median annual salary

**\$50,000**

Gallup % cost of disengagement

**x 34%**

Annual cost per disengaged employee

**= \$17,000**

Gallup estimates **17.2%** of the U.S. workforce is actively disengaged.

**TOTAL COST OF  
DISENGAGEMENT**

**\$584,800**

That's a big cost per year!