How to calculate staff turnover

Not a maths person? Don't worry, we're going to explain how easy it is to calculate employee turnover.

It's helpful to know how to calculate staff turnover. This is because it works out how many employees leave your business in a certain amount of time and need replacing.

But it can be daunting to work out if maths isn't your strong point. That's why we're going to explain how to calculate labour turnover by month and year.

How do you calculate staff turnover by month?

The equation you need to follow is:

$$\frac{\textit{Total number of leavers in a month}}{\textit{Average number of employees in a month}} \times 100$$

Don't worry; it's not as scary as it looks. And we'll explain how to work out an average; you won't have to rely on your hazy memories of maths class.

But first, let's break down the equation.

To start your employee turnover calculation, you should divide the total number of leavers in a month by your average number of employees in a month. Then, times the total by 100. The number left is your monthly staff turnover as a percentage.

Not had to work out an average in a while? Just add the number of staff at the beginning of the month to the total number of staff at the end of the month and divide by two. We'll cover this in more detail later on.

For now, let's take you through how to work out your staff turnover for one month.

In February, your company has an average of 200 employees but four decide to leave. Here's how you work it out:

$$\frac{4 \quad (\textit{number of leavers})}{200 \quad (\textit{average staff})} = 0.02$$

$$0.02 \times 100 = 2\%$$

Simple enough? Now you've got the hang of it, we'll show you how to work out your annual staff turnover. By measuring a longer amount of time, you can spot patterns in the number of staff leaving each year.

How do you calculate employee turnover by year?

The equation—yes, it looks familiar—is:

$$\frac{Total\ number\ of\ leavers\ in\ a\ year}{Average\ number\ of\ employees\ in\ a\ year} \times 100$$

Start your labour turnover calculation by dividing the total number of leavers in a year by your average number of employees in a year. Then, times the number by 100. The total is your annual staff turnover rate as a percentage.

Let's go through another example. But this time, we'll start with working out your average number of staff in a year.

Your company has 200 employees at the start of 2017. During the year, 20 employees leave and you replace 10 of them. This leaves you with 190 employees.

Here's how to work out your average annual staff:

$$200 + 190 = 390$$

$$390 \div 2 = 195$$

You have an average of 195 staff working for you in a year.

Got it? OK, let's move on.

Now that you know your average number of staff, you can follow the rest of the equation:

$$\frac{20 \ \ (number\ of\ leavers)}{195 \quad (average\ staff)} = 0.10$$

$$0.10 \times 100 = 10\%$$

Your labour turnover for 2017 is 10%.

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