In any business, employee turnover can be a costly problem. Not only can it affect the productivity and success of the organization, but it can also reflect poorly on the management and culture of the business.

Employee turnover is not only a matter of employees and salaries, including interviewing, hiring, training, and turnover costs; it can also have an impact on the employees themselves and their families. The reasons for employee turnover can be complex and multifaceted, as the following tables illustrate.

### Employee Turnover and its Costs

#### Entry-level employees
- Average salary: $30,000
- Replacement cost: 150% of annual salary
- Total replacement cost: $45,000

#### Mid-level employees
- Average salary: $80,000
- Replacement cost: 400% of annual salary
- Total replacement cost: $320,000

#### High-level employees
- Average salary: $120,000
- Replacement cost: 500% of annual salary
- Total replacement cost: $600,000

### The Missing Ingredient: Effective Employee Evaluation Programs

All of the information gathered at the level of a human resources manager is shaping the right side of the equation. When employees are replaced, the cost can add up quickly. Businesses should be developing their systems to analyze their performance and help employees grow. Employee evaluation programs need to be ongoing and constructive. There should be a communication program in place that encourages employees to give feedback on a regular basis. Proper employee evaluation programs can help companies understand the reality of employee turnover is really costing your business.

### The Overpaid

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