



# The Cost of Brain Drain

# EXIT



## Understanding the financial impact of staff turnover on accountancy firms

Accountancy firms have long understood that losing valuable members of staff needs to be considered as a key risk to their success. But the actual financial cost of staff turnover has received little attention.

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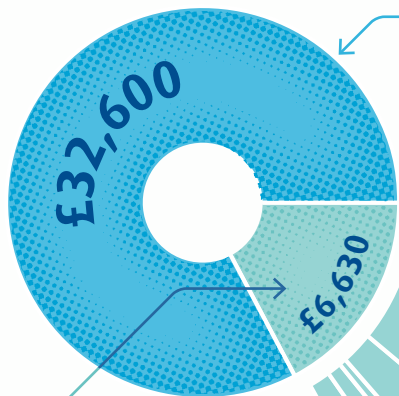
### Cost of replacing a single employee

# £39,230



Annual staff turnover cost: **£580m**

based on £25k+ earners in the accountancy sector



### Cost of bringing an employee up to their Optimum Productivity Level (OPL)

### "Logistical" costs of replacing an employee

- A £4,339** Hiring temp. workers before replacement starts
- B £1057** Management time spent interviewing
- C £207** HR time spent processing the replacement
- D £483** Advertising the new role
- E £544** Agency fees

### Average time a new accountancy employee takes to reach their Optimum Productivity Level:

# 32 wks

### Factors affecting how long it takes employees to reach their OPL

#### BY WHERE THE EMPLOYEE COMES FROM

Employed within industry:	17 wks
Employed outside industry:	39 wks
School leaver:	55 wks
University graduate:	43 wks
Unemployed:	57 wks

#### BY ACCOUNTANCY FIRM SIZE

1-250 employees	34 wks
250+ employees	30 wks

Accountants take the longest to reach optimum productivity when compared to other industries in this report

**LEGAL**

**£39,887**

£35,307 OPL costs | £4,580 Logistical costs

Annual staff turnover cost: **£805M**

Time to reach OPL: **32wks**

**RETAIL**

**£20,114**

£16,240 OPL costs | £3,874 Logistical costs

Annual staff turnover cost: **£673M**

Time to reach OPL: **23wks**

**IT**

**£31,808**

£25,353 OPL costs | £6,455 Logistical costs

Annual staff turnover cost: **£1891M**

Time to reach OPL: **29wks**

**MEDIA**

**£25,787**

£21,633 OPL costs | £4,154 Logistical costs

Annual staff turnover cost: **£184M**

Time to reach OPL: **20wks**



Because everyone needs a back-up plan