

Total Compensation Communications ROI

Calculating the ROI (return on investment) of any employee communications or engagement project can be difficult; capturing the ROI of total compensation statements can be a particular challenge.

One method of thinking about and measuring the ROI of total compensation statements is based on employee retention. It's well accepted that total compensation statements can increase employee satisfaction and engagement and help to reduce turnover, so an employer can measure the ROI using turnover statistics as in the following example:

Number of employees	5000
Turnover rate per year	5%
Turnover cost per employee	\$30,000
Estimated cost of turnover	\$7,500,000
Reduced turnover rate	4.5%
Turnover cost per employee	\$30,000
Estimated cost of reduced turnover	\$6,750,000
Savings	\$750,000

To receive a complimentary ROI analysis customized for your organization, please contact David Janus at david@charltonconsulting.com or by phone at 301-294-5380, ext. 11.