



**Report on Turnover Rates
For
Non – Temporary Classified Employees
FISCAL YEAR 2013/14**

Prepared for the Joint Legislative Committee on the Budget

FY 13/14 REPORT ON TURNOVER RATES FOR NON-TEMPORARY CLASSIFIED STATE EMPLOYEES

ISSUED: 11/24/2014

SUMMARY OF REQUEST:

Pursuant to the terms of Chapter 28 of Title 42 of the Louisiana Revised Statutes of 1950 (comprised of R.S. 42:1601), the Department of State Civil Service will submit to the Joint Legislative Committee on the Budget on or before December 15th each calendar year the following information:

- 1) *The turnover and turnover rate for each agency and the costs associated with the turnover.*
 - 2) *The five job classifications with the highest turnover rates.*
 - 3) *The five agencies and job classifications for which the cost of turnover is highest.*
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EXPLANATION OF DATA:

Source: The data presented in this report is based upon an analysis of the number of classified employees serving in non-temporary positions who separated from state service during fiscal year 2013/2014, as reported by the employing agencies to the Department of State Civil Service.

Exclusions: The information in this report does NOT reflect the following.

- Separations of unclassified employees
- Separations of temporary classified employees
- Transfers of employees from one state agency to another

Voluntary Turnover: Separations from state service due to resignation, retirement or death.

Involuntary Turnover: Separations from state service through dismissal, layoff, separation during probationary period, or non-disciplinary removal.

Turnover Rates: Turnover rates shown are calculated by comparing the number of non-temporary classified employees in state service on June 30, 2014 to the number of non-temporary classified employees who separated from state service during the previous twelve months.

Cost Estimates: Turnover costs provided in this report are estimates of productivity losses, calculated using the Mathis/Jackson Simplified Turnover Costing Model shown below.

In this model, if a job paid \$20,000 (A) and the benefits cost 40% (B), then the total annual cost for one employee would be \$28,000. Assuming 20 employees quit in one year (C) and it takes three months to become fully productive (D), the calculation in (F) results in a per-person turnover cost of \$3,500. Overall, the annual turnover cost would be \$70,000 for the 20 individuals who left.

Please note that the Mathis/Jackson model estimates cost of turnover based upon **VOLUNTARY SEPARATIONS ONLY**. Estimated turnover costs calculated using this model will vary, depending on the average length of time it takes a new hire to complete training to reach full productivity. Since the requisite training time for different jobs can vary widely, **we have provided two cost estimates; one based upon an average training period of three months and one on an average training period of twelve months.**

Mathis/Jackson Simplified Turnover Costing Model

*Mathis, Robert L. & Jackson, John H. Human Resource Management,
10th Edition, Fig. 3-10, p. 90. U.S.: Southwestern, 2003*

- A. = Typical annual pay for job
- B. = % pay for benefits times (x) annual pay
- C. = Total employee annual cost (A + B)
- D. = Voluntary quits in the past 12 months
- E. = Time to become fully productive (in months)
- F. = Per person turnover cost: {multiply (E÷12) x C x 50%*}
- G. = Annual turnover cost: (F x D)

*Assumes 50% productivity throughout the learning period (E).

The typical annual pay used for the turnover calculations in this report was based upon the average annual salary of non-temporary classified employees that voluntarily separated from state service during FY 13/14. The percentage of pay for benefits used for the calculations in this report is 19.85%. This figure includes retirement (6.1%), Medicare (1.45%), and health insurance (12.3%).

The percent that the state pays for the unfunded accrued retirement liability is not included in this calculation. The Division of Administration has issued a budget memorandum setting the actuarial rate for the UAL at 25.5% for FY 13/14.

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OVERALL TURNOVER RATES & COST ESTIMATES

The table below reflects the overall FY 13/14 turnover rates for Non-Temporary Classified employees.

TURNOVER RATES FOR NON-TEMPORARY CLASSIFIED EMPLOYEES 13/14				
Number of Non-Temporary Classified Employees as of 6/30/14	Number of Separations from State Service <i>(Voluntary + Involuntary)</i>	Overall Turnover Rate <i>(Voluntary + Involuntary)</i>	Number of Voluntary Separations from State Service	Voluntary Turnover Rate
37,890	9,011	23.78%	5,506	14.53%

Estimated Cost of Voluntary Turnover based on 3-month average training time: **\$ 32,372,829.05**
 = $((3/12)*(\$39,246.09*1.1985)*0.5)*5,506$

Estimated Cost of Voluntary Turnover based on 12-month average training time: **\$ 129,491,316.20**
 = $((12/12)*(\$39,246.09*1.1985)*0.5)*5,506$

HIGHEST TURNOVER JOBS

The five jobs with the highest voluntary turnover rate for Non-Temporary Classified employees in 13/14 are listed below. Jobs with less than 50 incumbents were not considered for this ranking.
(Note: Total Separations include both Voluntary and Involuntary Separations.)

JOB TITLE	6/30/14 NON-TEMP CLASSIFIED EMPLOYEES	# SEPARATIONS 13/14		TURNOVER RATES 13/14	
		TOTAL <i>(Vol+Invol)</i>	VOLUNTARY	TOTAL <i>(Vol+Invol)</i>	VOLUNTARY
Registered Nurse 2	62	565	124	911.29%	200.00%
Corrections Cadet	209	330	214	157.89%	102.39%
Practical/Nurse Licensed 2	108	152	59	140.74%	54.63%
Juvenile Justice Specialist 1	103	91	53	88.35%	51.46%
Child Welfare Specialist 1	105	59	53	56.19%	50.48%

ESTIMATED COST OF VOLUNTARY TURNOVER BY DEPARTMENT

The table on the following page provides the results of the application of the Mathis/Jackson model of turnover cost estimates for VOLUNTARY turnover among NON-TEMPORARY CLASSIFIED employees in FY 13/14 by Major Department (descending by estimated costs).

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MATHIS/JACKSON VOLUNTARY TURNOVER COST ESTIMATES BY DEPARTMENT FY 13/14					
Major Department	# Non-Temp Classified Employees 6/30/13	# Voluntary Separations FY 12/13	Voluntary Turnover Rate	Estimated Cost (3 months)	Estimated Cost (12 Months)
LOUISIANA HEALTH CARE SERVICES DIVISION	289	147	50.87%	\$880,002.62	\$3,520,010.50
DEPARTMENT OF HEALTH AND HOSPITALS	6523	733	11.24%	\$4,783,433.38	\$19,133,733.52
HIGHER EDUCATION	6171	1573	25.49%	\$8,446,287.23	\$33,785,148.90
DEPARTMENT OF CORRECTIONS	4659	805	17.28%	\$4,218,141.87	\$16,872,567.49
DEPARTMENT OF CHILDREN & FAMILY SERVICES	3366	470	13.96%	\$2,982,846.22	\$11,931,384.86
DEPT OF TRANSPORTATION AND DEVELOPMENT	4210	414	9.83%	\$2,522,705.95	\$10,090,823.78
EXECUTIVE DEPARTMENT	2028	146	7.20%	\$1,224,477.81	\$4,897,911.22
DEPARTMENT OF REVENUE	670	64	9.55%	\$396,052.41	\$1,584,209.66
OFFICE OF JUVENILE JUSTICE	797	167	20.95%	\$939,715.42	\$3,758,861.69
DEPARTMENT OF PUBLIC SAFETY	1351	140	10.36%	\$874,810.80	\$3,499,243.19
VETERANS AFFAIRS	785	170	21.66%	\$638,021.48	\$2,552,085.90
LOUISIANA WORKFORCE COMMISSION	894	83	9.28%	\$526,356.85	\$2,105,427.40
DEPARTMENT OF ENVIRONMENTAL QUALITY	647	39	6.03%	\$258,753.39	\$1,035,013.55
DEPARTMENT OF WILDLIFE AND FISHERIES	686	55	8.02%	\$439,630.29	\$1,758,521.18
DEPARTMENT OF EDUCATION	293	49	16.72%	\$480,903.04	\$1,923,612.16
DEPARTMENT OF AGRICULTURE	502	43	8.57%	\$302,626.28	\$1,210,505.13
PORTS,LEVEE BOARDS,FRESH WATER DISTRICTS	875	83	9.49%	\$473,468.02	\$1,893,872.10
DEPARTMENT OF CULTURE, RECREATION AND TOURISM	621	67	10.79%	\$320,528.28	\$1,282,113.11
DEPARTMENT OF NATURAL RESOURCES	326	52	15.95%	\$438,429.43	\$1,753,717.71
HOUSING AUTHORITIES	602	67	11.13%	\$296,206.22	\$1,184,824.89
RETIREMENT SYSTEMS	291	11	3.78%	\$78,391.73	\$313,566.91
DEPARTMENT OF STATE	366	25	6.83%	158,970.96	\$635,883.83
EDUCATION – OTHER	345	45	13.04%	\$188,499.24	\$753,996.95
CIVIL SERVICES AGENCIES	201	19	9.45%	\$189,028.86	\$756,115.43
DEPARTMENT OF INSURANCE	212	16	7.55%	\$126,657.23	\$506,628.94
DEPARTMENT OF ECONOMIC DEVELOPMENT	64	5	7.81%	\$42,861.96	\$171,447.82
DEPARTMENT OF TREASURY	42	4	9.52%	\$36,290.10	\$145,160.40
PUBLIC SERVICE COMMISSION	69	12	17.39%	\$100,718.58	\$402,874.34
OFFICE OF THE LIEUTENANT GOVERNOR	621	67	10.79%	\$320,528.28	\$1,282,113.11

*Questions regarding this report should be directed to: Shannon S. Templet, Civil Service Director:
(225) 342 -8272, or by email: Shannon.Templet@la.gov*

HIGHEST TURNOVER JOBS AT DEPARTMENTS WITH THE HIGHEST COST ESTIMATES

From the previous section, the five departments for which the Mathis/Jackson cost estimates for Voluntary turnover among Non-Temporary Classified employees are the highest include:

- Higher Education
- Department of Health and Hospitals
- Department of Corrections
- Department of Children and Family Services
- Department of Transportation and Development

Using the Mathis/Jackson formula, the job with the highest turnover cost at these five agencies is as follows:

Highest Turnover Cost Estimates based on **3-MONTH** and **12-MONTH** Training Periods

MAJOR DEPARTMENT	JOB TITLE	ESTIMATED COST (3 Months)	ESTIMATED COST (12 Months)
Higher Education	Registered Nurse 2	\$900,656.57	\$3,602,626.28
Department of Health and Hospitals	Registered Nurse 3	\$309,618.81	\$1,238,475.25
Department of Corrections	Corrections Sergeant	\$1,152,077.60	\$4,608,310.39
Department of Children & Family Services	Social Service Analyst 2	\$689,717.57	\$2,758,870.30
Department of Transportation and Development	Mobile Equipment Operator 1	\$219,507.94	\$878,031.75

The table on the following page presents further detail about the additional high-turnover jobs at each of these five major departments which contribute to their overall estimated turnover costs.

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Jobs with the Highest Estimated Turnover Costs at Each of the Five Major Departments with the Highest Overall Cost Estimates using the Mathis/Jackson Model (Based on Voluntary Turnover among Non-Temporary Classified Employees)				
MAJOR DEPARTMENT	JOB TITLE	VOLUNTARY SEPARATIONS	ESTIMATED COST (3 Months)	ESTIMATED COST (12 Months)
Higher Education	Registered Nurse 2	114	\$900,656.57	\$3,602,626.28
	Registered Nurse Supervisor A	40	\$412,800.70	\$1,651,202.81
	Registered Nurse 3	41	\$363,545.95	\$1,454,183.80
	Administrative Coordinator 2	90	\$322,098.67	\$1,288,394.68
	Administrative Coordinator 3	68	\$299,468.23	\$1,197,872.93
Department of Health and Hospitals	Registered Nurse 3	35	\$309,618.81	\$1,238,475.25
	Corrections Guard/Therapeutic	50	\$245,341.46	\$981,365.84
	Medicaid Analyst 2	38	\$235,840.67	\$943,362.66
	Residential Services Specialist 2	55	\$189,649.35	\$758,597.41
	Social Worker 4	22	\$174,443.80	\$697,775.19
Department of Corrections	Corrections Sergeant	267	\$1,152,077.60	\$4,608,310.39
	Corrections Cadet	214	\$820,632.18	\$3,282,528.72
	Corrections Sergeant Master	102	\$664,648.55	\$2,658,594.20
	Lieutenant	27	\$187,511.32	\$750,045.27
	Practical Nurse/Licensed 3	23	\$132,901.67	\$531,606.66
Department of Children & Family Services	Social Service Analyst 2	119	\$689,717.57	\$2,758,870.30
	Child Welfare Specialist 2	55	\$358,087.33	\$1,432,349.33
	Child Welfare Specialist 1	53	\$280,217.08	\$1,120,868.34
	Social Service Analyst 1	51	\$211,849.46	\$847,397.84
	Child Welfare Supervisor	19	\$199,031.54	\$796,126.16
Department of Transportation and Development	Mobile Equipment Operator 1	60	\$219,507.94	\$878,031.75
	Mobile Equipment Operator 1/Heavy	34	\$179,237.49	\$716,949.95
	Mobile Equipment Operator 2	33	\$132,628.07	\$530,512.29
	Engineering Tech 5	12	\$91,357.82	\$365,431.28
	Engineer 7 DOTD	5	\$78,821.75	\$315,287.00

Note: Cost estimates are based on the application of the Mathis/Jackson Turnover Costing Model. Voluntary separations reflect only separations of Non-Temporary Classified Employees. For details on data parameters and the Mathis/Jackson model, please see the "Explanation of Data" section at the beginning of this report.

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