



RETURN-ON-INVESTMENT (ROI) FROM THE MASTERING EMOTIONAL CONNECTION IN LEADERSHIP AND BOARD DEVELOPMENT PROGRAM

Level Five Executive’s Mastering Emotional Connection leadership and board development program is a valuable investment that significantly improves engagement and performance. Consider these gains our clients yield:

SENIOR LEADERS

At an electronic manufacturing company, 100% senior leaders showed significant improvement in working together allowing them to enter a new market and successfully acquire two new companies, reaching a new level.

BOARDS

A board of 26 members at a hospitality organization experienced improvement in their board engagement leading to better focus, direction and performance, resulting in 28% growth in membership over a two-year period.

PARTNERS

At a medical center, senior partners experienced a 50% improvement in their ability to create connection, significantly improving their performance in taking care of patients and creating a cohesive work environment.

EXECUTIVE TEAM

The executive team of a multi-million dollar manufacturing company learned how to emotionally connect with each other, improving performance and the quality of their decisions, leading to 12.5% increase in revenue.

HR PROFESSIONALS

The HR team at a wellness provider experienced a 65% improvement in their ability to manage conflicts and prevent setbacks, allowing teams be fully engaged in working together, accomplishing and reaching their goals.

ROI CALCULATION ON INCREASED ENGAGEMENT

According to [Gallup](#), businesses with highly engaged teams experience a 20% lift in productivity. On average, they also experience a 40% improvement in turnover, varies from 24% in high- to 59% in low-turnover organizations.

ABC Company Data	Values
Number of employees, beginning of year	128
Number of employees, end of year	130
Average employee salary	\$61,812
Annual company revenue	\$31,550,000
Number of employees that quit/dismissed during the year	11

Using the ABC Company data and Gallup estimation, you can expect improvements in the areas of turnover, absenteeism, and productivity by utilizing the training on emotional connection, creating highly engaging teams:

Employee Cost Data	Current	Higher Engagement
Revenue per employee	\$244,574	\$293,488
Cost of absenteeism per employee	\$3,677	\$2,169
Total cost of absenteeism	\$474,285	\$279,828

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Employee Cost Data	Current	Higher Engagement
Turnover rate	8.5%	5.1%
Number of employees that leave in a year	11.0	6.6
Avg. cost to replace an employee	\$46,359	\$46,359
Total cost of employee turnover	\$509,949	\$305,969

Employee Engagement using ROI Calculator Worksheet	
Additional company revenue	\$ 6,310,000
Money saved from less absenteeism	\$ 194,457
Money saved from less turnover	\$ 203,980
Total ROI	\$ 6,708,436

With increased engagement, the ABC Company might very well see an additional \$50k in revenue per employee. This translates to over \$6Million in additional revenue per year! With less absenteeism and turnover, the company can see a significant savings of nearly \$400k and improved company culture.

[Willis Towers Watson](#) reports that companies with engaged employees enjoy a 19% increase in operating income; without engagement, operating income decreases by 30%.

Revenue per employee is calculated by taking the annual company revenue and dividing it by the average number of employees. This will give you the efficiency of employee utilization. For higher engagement increase revenue by 20%.

Cost of absenteeism per employee. On average, 1.2% of total working days (3 days per year) are unearned paid time off. To calculate your costs due to absenteeism, take 1.2% of revenue per employee and add that to 1.2% of average employee salary. This represents the individual impact to the business when an employee is absent with unearned PTO. For more on these figures, see [Absenteeism: The Bottom Line Killer](#). Total cost of absenteeism represents the business impact of absenteeism company-wide.

Turnover rate is calculated by dividing the number of employees that left during the year by the average number of employees during the year. Turnover rates vary by industry. To compare your turnover rate with others in your industry, go to this [link](#).

Number of employees that leave in a year is the turnover rate multiplied by the average number of employees. As you can see, with an engaged workforce turnover was cut almost in half!

Average cost to replace an employee. According to The [Society for Human Resources Management \(SHRM\)](#), every time a business replaces a salaried employee, it costs 6-9 months of the replaced employee's salary. The formula in the example uses 9 months. For executive positions, replacement can be as high as 200% of the employee's annual salary. This calculation doesn't account for the other factors such as costs of on-boarding, lost productivity, lost engagement, training costs, and cultural impact on the organization.

Total cost of employee turnover multiplies the average cost to replace an employee by the number of employees that quit or were fired last year.

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