

HOW-TO GUIDE

# How to Calculate Attrition Rate: Step-by-Step Guide [2026]

Key insights and actionable frameworks



## Overview

### What is the quick formula for calculating attrition rate?

Attrition rate measures the percentage of people who leave an organization over a specific time period. It applies to both employee attrition (HR context) and customer attrition or churn (business context). Formula: Attrition Rate (%) = (Number Who Left During Period / Average Headcount During Perio

## **S1** What is attrition rate and why does it matter?

Attrition rate quantifies the number of employees or customers you lose each period. Unlike turnover (which counts replacements), attrition specifically measures departures without accounting for new hires. Why attrition matters: Cost impact: Replacing an Indian employee costs 50-200% of their annua

## **S2** How to define the scope of your attrition measurement

Different types of attrition tell different stories. Always specify which type you are measuring:

| Type                     | What It Measures                        | Example                 | Strategic Meaning           | Overall             |
|--------------------------|---|-------------------------|-----------------------------|---------------------|
| Attrition                | All departures (voluntary, involuntary) | Total employee turnover | General workforce stability | Voluntary Attrition |
| Employees who chose to I |   |                         |                             |                     |

### **S3** How do you calculate attrition rate step by step?

Step 1: Set the time period Choose a consistent measurement window:  
Monthly: Most granular; useful for spotting sudden spikes in departures  
Quarterly: Standard for business reviews and trend analysis  
Annual: Best for benchmarking against industry standards and strategic planning  
Most organizations c

### **S4** Which tools help track attrition rate?

Several solutions automate attrition tracking and identify early warning signs:  
HRIS Systems: Darwinbox, Keka, greytHR (popular in India), BambooHR,  
Workday Excel / Google Sheets: For manual calculations and historical trend  
analysis  
People Analytics Tools: Visier, Lattice, Culture Amp (predictive f

## **S5** What are common mistakes in calculating attrition

Mistake 1: Confusing attrition with turnover Attrition = Positions that are not backfilled (organization shrinks). Turnover = All departures, including replacements (organization stays the same size). For calculation purposes, the formula is identical.

## **S6** How can you reduce attrition in your organization?

Strategy 1: Track regrettable attrition separately Not all attrition is bad. Low performers self-selecting out is healthy. Focus retention efforts solely on high performers.

## **S7** What are attrition rate benchmarks for India in 20

These benchmarks reflect typical annual voluntary attrition rates as of March 2026: Industry / Sector Average Annual Attrition (2025-2026) Healthy Range  
Key Drivers IT Services (TCS, Infosys, Wipro) 12-17% Under 15% Career growth, compensation, location IT Startups / Product Companies 18-30% Under 2

## **S8** Conclusion

The attrition rate is calculated by dividing departures by average headcount and multiplying by 100. involuntary and regrettable vs. non-regrettable to identify retention priorities.

# Ready to Take Action?

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