



INTERTANKO

International Association of Independent Tanker Owners

- FOR SAFE TRANSPORT, CLEANER SEAS AND FREE COMPETITION -

INTERTANKO Officer Retention Formula

$$\% \text{ Retention Rate (RR)} = 100 - \left[\frac{\{S - (UT + BT)\}}{AE} \times 100 \right]$$

Where:

RR = Officer Retention Rate

S = Total Number of terminations from what ever cause (In effect this means the total number employees that have left the company for what ever reason)

UT = Unavoidable Terminations (i.e. retirements or long term illness)

BT = Beneficial Terminations (i.e. sometimes those staff that do leave provide benefit to the company by virtue of leaving, for example under performers)

AE = The average number of employees working for the company during the same period as calculated, this should be any period of 12 months.

Source: The above formula is modelled upon the Abelson adjusted turnover rate" referenced in Abelson M 1996 turnover cultures and turnover culture" in Human Resources Management. But is adjusted by INTERTANKO to create a retention rate formula, as opposed to a turn over rate formula..

Example 1:

(AE) Company employs 875 sea staff

(S) Total number of staff that left in a 12 month period, 12

(UT) Unavoidable Terminations (3 left as reached pensionable age)

(BT) 1 staff was an under achiever and thus classed as beneficial to leave

(RR) Officer Retention rate = 99%

Example 2:

(AE) Company employs 57 sea staff

(S) Total number of staff that left in a 12 month period, 15

(UT) Unavoidable terminations (1 left due to long term illness)

(BT) Zero staff which left, were considered beneficial terminations

(RR) Officer Retention Rate = 75%