

Nurse turnover: Understand it, reduce it

What can employers do to increase nurse retention?

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NURSES work in a fast-paced environment, providing patient care, reassuring family members, and keeping up with evidence-based practices and procedures. That level of stress can leave many healthcare organizations with a high nurse turnover rate. Fundamentally, though, turnover is a reaction to every leadership decision, so managing it is a process, not an event that's concluded with a quarterly or annual review. Managing turnover requires mindfully creating a workplace culture that supports high performers financially, intellectually, and psychologically while also efficiently and fairly weeding out poor performers.

What does nurse turnover cost?

Costs associated with nurse turnover can have a huge impact on a hospital's profit margin. According to the 2019 National Healthcare Retention & RN Staffing Report, published by Nursing Solutions, Inc., each percent change in nurse turnover will cost (or save) the average hospital an additional \$328,400. The turnover rate for hospitals' bedside nurses grew to 17.2%. The average turnover costs result in hospitals losing \$4.4 million to \$6.9 million each year. The report also found that the average time it takes to fill a staff nursing position is 85 days (3 months or more for a specialized nursing position), costing about





Risks of mandatory overtime

One troubling staffing solution that is being used is mandatory overtime. Presumably, hospital administrators believe that mandatory overtime (which is almost universally banned by hospitals that have achieved American Nurses Credentialing Center Magnet® recognition) will save money by limiting recruitment and benefit expenses. However, several studies show that it's one of the worst practices to emerge from the era of downsizing and managed care. Mandatory overtime:

- discourages nurses from accepting employment
- encourages existing nursing staff to think about leaving
- generates costs associated with
 - increased turnover
 - longer patient stays
 - lower productivity
 - higher treatment error rates.

\$82,000 (not counting the costs associated with overtime work by other nurses and time to onboard and train the new nurse).

In March 2016, Streamline Verify ranked healthcare as one of the top three professions with high turnover rates. It also found that 43% of newly licensed nurses who work in hospitals leave their jobs within 3 years, another 33.5% resign after 2 years, and 17.5% work for only 1 year. (To view an infographic of this data, visit streamlineverify.com/nurse-turnover-rate.)

Why do nurses leave?

When surveyed, nurses give the following reasons for leaving their current positions: moving, personal matters, promotion, salary, retirement, and burnout. They also leave because they're dissatisfied with their jobs, they're given little independence or respect, staffing and scheduling don't meet their needs, physician/nurse relationships aren't collegial, they want to return to school, or

their healthcare facility closed.

Many hospitals have addressed these problems, but turnover continues to rise. Healthcare organizations might do well to learn from business as well as from other hospitals. Research by John Kotter and James Heskett, published in the book *Corporate Culture and Performance*, reveals some surprising statistics for firms (12 with a performance-enhancing culture and 20 without) they followed for 11 years.

Firms with a performance-enhancing culture experienced:

- 682% revenue growth
- 282% employment growth
- 901% stock price growth
- 756% net income growth.

Firms without a performance-enhancing culture experienced:

- 166% revenue growth
- 36% employment growth
- 74% stock price growth
- 1% net income growth.

Simply put, companies that intentionally manage their cultures significantly outperform those that don't. The original research behind the American Nurses Credentialing Center Magnet Recognition Program®, conducted by an American Academy of Nursing group headed by Margaret McClure, EdD, RN, FAAN, was an attempt to determine why nurses stayed at some facilities and left others. The results indicated that nurses stayed at hospitals where excellent patient care was the norm.

What can employers do?

The *2018 Press Ganey Nursing Special Report: Optimizing the Nursing Workforce: Key Drivers of Intent to Stay for Newly Licensed and Experienced Nurses* analyzed responses of nearly 250,000 nurses to identify trends in intent to stay based on age, tenure, and unit type, as well as drivers of intent to stay. In general, nurses need certain things from their jobs.

- **Good pay.** How strongly pay contributes to employee satisfaction has been debated in the literature, probably because money means different things to different people. However, two truths are constant: Employees need money to live, and money is used as a measure of value by employers and employees. Pay matters.
- **Flexibility.** When the Society for Human Resource Management surveyed human re-

sources (HR) professionals about challenges they've faced, 59% responded that retaining and rewarding the best employees was their main concern. And when asked how they thought this goal could be achieved, 40% answered "providing flexible work arrangements." Almost all employees are looking for better work/life balance and are willing to be loyal to employers who provide it.

- **Respect.** Employees want to know that what they think matters. They want to be treated as valuable members of the team with something meaningful to contribute. At the very least, employees don't want to be yelled at, demeaned, or humiliated by abusive managers, coworkers, or physicians.
- **Autonomy.** Employees appreciate being able to fulfill their work duties in a manner that suits their standards of practice and their temperaments. Frequently, more than one way exists to achieve a goal, and nurses value the freedom to choose the way that aligns with their standards of practice. Managers who insist that low costs are superior to excellent care frustrate nurses and lead them to think about other employment options.

One of the most important conclusions of the literature on hospital employment is that the same practices that create a positive working environment for nurses also are critical to securing standards of quality patient care.

Based on this information, employers can take several steps to improve retention.

- **Improve communication** between administration, management, and staff. If rudeness, lies, stonewalling, gossiping, bullying, and other forms of negative communication are tolerated, good employees will leave.
- **Hold employees accountable** for fulfilling their job descriptions and standards of practice. Teach managers how to give feedback and reward them for doing it regularly and honestly.
- **Heed the adage: Hire slowly and fire quickly.** Teach managers how to interview and hire employees.
- **Deal expeditiously with conflict.** Competent people want to work with other competent people in organizations that value and support their talents. They'll leave if those standards aren't met.
- **Focus on fairness.** Humans are wired to appreciate fairness. Employees who come to

work on time and produce as expected don't like it when coworkers aren't disciplined.

Although some hospitals have moved to adopt best practices for improving recruitment and retention, too many others have moved in the opposite direction. (See *Risks of mandatory overtime.*)

Finding a balance

Identifying the most effective balance of guidelines to improve nurse retention requires employers to better understand their workforce, to develop policies and procedures based on nurses' work experiences and motivations, and to appreciate nursing staff needs. When management and staff collaborate, they benefit the organization, the workforce, and patients. **AN**

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