

IMPROVE NURSING RETENTION

BY HIRING AND
DEVELOPING BETTER
MANAGERS

SELECTINTERNATIONAL.COM



SELECT
INTERNATIONAL



IMPROVE NURSING RETENTION

BY HIRING AND DEVELOPING BETTER MANAGERS

Author: Bryan Warren, Director of Healthcare Solutions

INTRODUCTION

Most organizations declare that reducing nursing turnover is a key strategic imperative, but few have a formal, holistic, and effective retention strategy. Perhaps that's because it's a complex problem and the challenges are specific to the organization and the market.

You can implement any of a long list of potential solutions. Most, however, require talented, effective, and motivated nurse managers to implement them. The most logical place to start improving retention, then, is by hiring and developing more effective managers.

This paper briefly outlines the scope and impact of the nursing turnover problem, its causes, and potential solutions. More importantly, it proposes a more deliberate approach to building a team of effective nurse managers, because without them, many of your retention efforts will be an exercise in futility.

THE SCOPE AND THE COST

As the nursing shortage worsens, organizations are reasonably focused on attracting more candidates. It makes no sense, though, to invest so much in your recruiting efforts if you can't keep nurses once you hire them. Why do talent teams often struggle getting the resources they need to combat turnover in a comprehensive, holistic, and effective manner?

First: Turnover is not a line item in the budget. Staffing costs are a more concrete and obvious target when it's time to cut costs.

Second: There are no universal definitions for turnover, methods to measure it, or ways to calculate the costs. Leaders like to commit resources to easily defined problems with clear solutions and an obvious ROI.

Organizations are starting to realize, however, that turnover costs are real, and that while you may save money with tighter staffing models, reducing staffing can negatively impact patient care, safety, and employee satisfaction. There is evidence that this strategy, particularly in more competitive labor markets, may very well increase turnover and reduce overall financial performance.

Although measurement methodology varies, it's generally accepted that first year turnover in hospitals is significantly higher than other U.S. industries. For instance, if you look at the PricewaterhouseCoopers Saratoga Human Capital Effectiveness Report, you'll see that hospital turnover is as high as 28%, compared to an average for other industries of 21%. First-year nursing turnover can run as high as 60% in some of the 40 healthcare systems that participate in that study. Median first-year nursing turnover was 17.1% for the report's "best practices" health systems. More worrisome, the report says that first-year turnover is increasing, with 22.2% of nurses leaving within their first year at a hospital.

The PwC report estimates the cost of turnover as 1.5 times the base salary. This is consistent with human resources industry standards. Some experts estimate it at twice the base salary. In either case, the cost is substantial. The average hospital is estimated to lose \$300,000 a year for each percentage increase in annual nursing turnover.



Beyond hard costs, turnover can:

- Increase staff workloads and decrease employee satisfaction
- Increase contingent staffing costs
- Disrupt continuity of care
- Reduce quality of care
- Increase training costs
- Increase medical staff dissatisfaction

THE CAUSES

Nursing is challenging, demanding work that takes a physical and emotional toll. This has always been the case. Today, staffing shortages and increasing and changing work responsibilities create even more challenges. Workplace violence, including nursing “lateral” violence, makes the situation worse, and is exacerbated by individual and organizational stressors.

Some nurses leave the profession, altogether. Others take advantage of the favorable job market and are quick to seek a new position - trying to find a job that better matches their goals and preferences.

Retention is a complex problem that is influenced by labor market dynamics, specific hospital culture and workload issues, differing professional goals, and the relationship with managers and leaders. Each organization’s turnover challenges are unique. Anyone touting a universal, simple solution doesn’t understand the problem.

Generally, when people leave an organization it is NOT for more money. While there are exceptions, pay is not as important as whether the work is rewarding, the workload is manageable, the geographic location, work environment, and culture are desirable, and relationships with supervisors and colleagues are fulfilling.

While all of these variables can play a role, nurses tend to leave when:

- They feel overworked
- Their role and expectations are not clearly defined
- They have a low sense of control over their job and career
- There is a lack of trust with supervisors and colleagues
- They do not feel respected and valued.

Each of these is, to a large degree, within the control of the nurse manager.

Nearly 20% of nurses leave the profession entirely, in their first year

The retention problem is particularly acute when it comes to new graduate nurses. Nearly 20% of nurses leave the profession entirely, in their first year and another one in three is gone within two years. New graduate nurses are especially susceptible to lateral violence and the challenges of an antiquated, hierarchical system. They need strong, supportive nurse managers to help them navigate the early years, and to carve out a rewarding long-term career.

SOLUTIONS

Because the causes of turnover are complex and specific to the organization, a holistic approach requires a mix of potential strategies:

1. Clarify work expectations during recruiting and on-boarding
2. Recognize the need for work-life balance
3. Create a structure for nursing to have input on critical issues, including shared governance models
4. Implement nurse residency programs
5. Support career development



6. Optimize scheduling and schedule flexibility, including use of data-driven staffing that can reduce mandatory overtime
7. Build teamwork and do not tolerate lateral violence
8. Wherever possible, ease the administrative burden on front-line nurses
9. Reward superior performance and address under-performance because under-performers burden their colleagues and failure to address it undermines faith in the organization
10. Encourage and develop a culture of collaboration between nurses and physicians

This list is not ground-breaking or all that innovative. What is often over-looked, however, is that most of these strategies require a level of management skill, talent, and dedication that is often lacking - mostly because organizations have neglected to implement a deliberate plan to select and develop effective managers.

Being a good individual contributor does NOT predict success as a manager

SELECTING AND DEVELOPING EFFECTIVE MANAGERS

Healthcare is notorious for promoting the best individual contributor to a manager role without much thought, preparation, or training. Being a good individual contributor does NOT predict success as a manager. What happens when you take a great nurse and make her a manager without much thought, structure, or support?

- You take her out of a role she enjoys and where she thrives
- You likely, have not done any objective evaluation of her management skills or potential, or the strengths and weaknesses she brings to the task
- You often ask her to continue many of her day to day tasks, but add a long list of new responsibilities - mostly administrative - staffing plans, budgets, and basic team management tasks
- This usually happens with precious little training or support

Not surprisingly, many new managers struggle. Perhaps they don't find the new role fulfilling. Perhaps they feel like they're in over their head. They struggle to effectively manage people. Rather than managing people in a manner that empowers them, they resort to a traditional management approach - focusing on task completion and, rather than encouraging engagement and collaboration, seek, encourage, and reward only dependability.

For a manager to be effective in retaining good nurses, she needs to:

- Clearly communicate work expectations
- Productively address performance issues
- Engage staff in finding ways to improve quality and the patient experience
- Recognize and reward performance, build teamwork, help nurses to manage stress, create a supportive environment where they feel the manager is there to help maintain quality patient care, and help them to advance their careers

These may or may not be in the job description. Even if they are, they are often neglected and the new manager quickly resorts to trying to survive. The strategies to improve retention - strategies that require substantial and often advanced management skills - fail.



How do we select and develop managers for this new model?

1. Choose wisely
2. Set expectations
3. Provide training, coaching, and mentoring

First, we need to define the behavioral competencies that predict success, including a new vision of what a successful manager looks like. Then you build a selection system targeting these attributes. Ideally, you identify nurses with management potential early, and start to groom

Successful organizations use a structured selection process of interviews and assessments exploring key management and leadership areas.

them. At the very least, once an opening occurs, you take a deliberate approach to selection and hiring. This usually means evaluating candidates by comparing their experience, skills, attributes, and potential to a well-defined list of competencies.

Successful organizations use a structured selection process of interviews and assessments exploring key management and leadership areas. Where possible, you want to evaluate past performance data, perceptions of colleagues and superiors, and behavioral traits – all within the context of the successful manager profile you've created. For instance, we encourage clients to examine:

- Interpersonal style, including conflict management and emotional intelligence
- Leadership style, including coaching, motivating others, performance management, providing feedback, delegating, empowering others, and managing change
- Thinking style, including interpreting and analyzing information, as well as, openness to new ideas
- Work style, including planning and organizing, taking initiative, accountability, adaptability, and positive impact

With this information, you can make a better hiring decision and you'll have a wealth of information as the basis for an ongoing manager development program.

A new nurse manager needs clear expectations. Basic administrative management tasks, while important, are just the beginning. Developing and supporting their team, understanding the issues surrounding nurse retention, and strategies to improve it – building a supportive culture where nurses feel valued – are the real management priorities.

Obviously, new managers need training and support, that should start on day one and continue throughout their time in the role. Internal and external basic management training, of course, but also day-to-day recognition of the challenges, and support and mentoring by dedicated leaders, is critical. Just as front-line nurses need to feel the support of their managers, managers need to believe that leadership wants them to succeed and is willing to provide the tools.

Everyone seems to appreciate that in today's market, nursing turnover is an expensive problem. Any efforts to solve this problem, though, should start at the front lines – by selecting, preparing, and supporting dedicated and effective nurse managers.