Hiring Nurses Who Stay

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Many executives have turned their eyes away from retention during this economy. Nurse managers, though, have never felt this luxury and probably never will. One reason why is that hospital unemployment maintained its low level of just 1.6% during 2008 as the economy slid into deep recession.

Healthcare executives know the litany of bad news associated with hiring and retaining nurses: Too few nurses today

• Nurses are an aging population

• Not enough new nurses or nurse training facilities

• More patients due to aging baby boomers.

March 2010 reinforced this woe as the Bureau of Labor Statistics told us national unemployment held steady at 9.7% while healthcare added 27,000 jobs. Healthcare unemployment is grouped with education, and in March this figure was 5.2%, a bit more than half the all-industry national average. Based on this data, one can easily argue that hiring and retaining nurses is the number one people-management challenge across our country and our world today.

The same source tells us that 72% of all U.S. nurses work in "general medicine and surgical hospitals," with the rest dispersed among doctors' offices, clinics and other facilities with much smaller nurse populations. So, when it comes to hiring nurses who stay in hospitals, the competition is fierce. Inner-city nurses can return from lunch with a new job at a different hospital, earning more money with an identical commute.

So what is the prescription for hiring nurses who stay? We recently worked with a Florida hospital experiencing accelerated nurse turnover, and helped them reduce this turnover by 56%. The solutions we used to achieve that reduction can be grouped under *analysis, goals and processes.*

Analysis

When employees leave tells us more than *why* they leave, because exit surveys rarely identify truthful reasons for leaving. But *when employees leave* provides indisputable clues. Of all nurses who left this hospital, 33% left within their first 90 days and 69% left within their first year. This high group of early leavers told us hiring and onboarding needed a close look. We wondered aloud with top management, "How many days did some of these nurses park in our parking lot before they decided they had made a mistake?" The answer was in days and weeks, not months.

For additional analysis, we conducted a cost study of how much each nurse exit costs and then totaled the cost of early and ongoing turnover. This opened all managers' minds to change and they now knew that losing a nurse cost $26,500. Speaking of retention in dollars rather than percentages created a positive buzz and deepened nurse managers' commitment to change. This amount was lower than the $50,000 estimate most hospitals place on the cost of losing a nurse, nonetheless it changed thinking to focus on retention.

Goals

While setting goals to improve performance is a universally accepted practice, few organizations set *retention goals* and hold first line managers accountable for reaching them. This underscores the primary difference between the way organizations approach retention versus other business imperatives such as sales, service, quality and safety. For the latter group, the CEO looks to her direct reports to achieve desired goals. For retention, the CEO looks to HR and says, "Turnover's high. Go fix it." The result is that HR provides retention programs from the staffing side of the organization chart which, on its own, is far less effective than also implementing shared accountability among nurse managers that results in retention ownership from top to bottom.

First-line supervisors are usually the right point of attack for retention, yet organizations continue to believe HR can overcome poor managers with training and better newsletters. When was the last time you heard a good worker say, "My manager treats me like dirt, but I'm holding on for employee appreciation week!"?

In its report titled "Hardwiring Right Retention," the Healthcare Advisory Board recommends holding nurse managers accountable for retention and cites one hospital that cut nurse turnover by 41% as a result of doing so.

Our client hospital in Florida set firm goals for nurse retention with special focus on retention rates for new nurses at 90, 180, and 365 days and held first-line supervisors accountable. Nurse managers now had a clear understanding of the metric for their own accountability. One result was that exits were now treated with concern from the perspective of responsibility rather than co-dependence. Rather than saying: *"I'm sorry you lost Bernice,"* the Director of Nursing now asked: *"How did you lose Bernice? She was important to us."*

Processes

One short-cut way to think about nurse retention solutions is "goals and tools." Here is a sample list of tools we built and implemented for the client hospital to help them achieve their retention goals:

> ➢ **Hiring:** Twenty individual managers had hiring authority when turnover was high, and all had their own interview questions and other methods for making nurse hiring decisions. Our solution was to assign an under-utilized HR manager who was a former nurse to become the hospital-wide nurse screener. We equipped her with training and a set of skill-based structured interview questions to make good decisions about who continued on in the hiring process. The screener then passed on the desirable candidates to nurse managers who had also been trained. Those managers passed desirable candidates onto a hiring panel of nurses and nurse managers. Once all three

"gatekeepers" agreed on a candidate, an offer was made, although the hiring manager could overrule the panel. All were also accountable for achieving new hire retention goals with precise tracking and reporting.

It is important to note that adding the HR manager interview on the front end and the panel interview on the back end was important to support the nurse managers' hiring decisions. No amount of training will make 20 nurse managers equally proficient at making hiring decisions because the level of difficulty is just too high. So we found a way to retain their authority, but also give them help.

> **Managing:** The most important supervisory skill for retention is building trust. While much research screams this is true, companies instead provide training on communications, feedback, career coaching and other skills with the assumption that those who do these skillfully will be trusted. But this is not true. Picture your best and worst boss ever and it's likely that you trusted your best boss and distrusted your worst one. It's also likely your best boss had shortcomings you accepted and your worst boss had strengths you didn't see.

> We designed a trust-building course for nurse managers that helped them solve the common trust-breakers they experienced daily. They left the course with an action plan that included disclosing the plan to their teams and getting continual feedback.

> **Stay Interviews:** Beginning with the director of nursing, each manager and supervisor met individually with their direct reports to apply a proprietary tool, which asked why they stayed in their job. The aggregated results of these "stay interviews" also provided top management with important clues as to why nurses really stayed, and that data helped with future hiring and managing.

This process was preceded by a training program where managers practiced specific questions and learned about resources available to them to develop "stay plans" for each nurse. "Stay plans" took the form of developmental needs, schedule concerns

and improved relationships among supervisors and peers. Not all requests could be accommodated but nurses left this process knowing they had been heard and many felt their jobs were better as a result.

Nurse turnover continues to fall at our client hospital. In the first quarter of 2010, the hospital lost just five first-year nurses, compared to 14 the previous year. Our approach underscores the complexity of hiring nurses who stay. No single solution is sufficient. Or, said another way: We wish retention was like pulling a rope, but instead it requires pulling many strings.

Unless noted otherwise, all data referenced here is from the author's book, "Rethinking Retention in Good Times and Bad."

Dick Finnegan is CEO of C-Suite Analytics which provides fresh thinking for employee retention and engagement. Dick looks forward to your comments and can be reached at DFinnegan@C-SuiteAnalytics.com