

How Much Staff Turnover is ok?

At first glance, it just seems like nurse managers have too many direct reports. Many oversee scores of workers who have different duties, work different shifts, and have different levels of skills and experience that...

By Dick Finnegan • @Dick_Finnegan

support@c-suiteanalytics.com
<http://www.c-suiteanalytics.com>

At first glance, it just seems like nurse managers have too many direct reports. Many oversee scores of workers who have different duties, work different shifts, and have different levels of skills and experience that require varied levels of top-side support. Is it just a case of “follow the leader”, that all hospital administrators establish staff ratios the same way? Might this just be a bad, non-productive habit?

A detailed web search provides good intelligence. In their study titled “Leadership, Span of Control, Turnover, Staff & Patient Satisfaction”, researchers McCutcheon and Campbell found that span of control...meaning the number of direct reports below each manager...was the highest predictor of staff turnover. In fact, their report went on to say that there was no leadership style that can overcome a large span of control.

The study concludes that “a policy needs to be developed regarding the optimum managerial span of control for managers”.ⁱ

A second, similar study concludes “A wide span of control has been associated with high staff turnover, increased safety concerns, and a decrease in both patient and job satisfaction.”ⁱⁱ

More study tells us the recession has made it worse. One study tells us that for just the one year period of 2008 to 2009, the average number of nurse direct reports increased by 15 employees, and that nurse managers on average were responsible for 3 cost centers with 69 employees per cost center. The same study says those nurse managers received less support from assistant managers and charge nurses, too, as the percent with assistant managers decreased from 37 to 23% and the number of permanent charge nurses was cut in half.ⁱⁱⁱ

So the data tell us a bad problem has gotten worse. Let’s shift the discussion to healthcare’s number one hidden cost, the cost of high nurse turnover.

We tell our clients that the very first step to improving nurse retention is to ask Finance to put a cost on nurse turnover and then report it each month against employee retention goals...by manager. Using our proprietary cost model, that cost is usually in the neighborhood of \$50,000 per exit.

Imagine sitting in a meeting room with nurse managers who oversee scores of workers, sometimes hundreds, telling them that you will now benchmark them against their turnover. As

you tell them the high cost of turnover and its impact on other staff and patients, do you think you are telling them something they don't already know?

While it is intuitive that high staff ratios lead to more turnover, let's turn to another industry to learn why. Earlier this year, Google released a landmark report about what makes a great team leader at Google, noting eight specific management traits. The study concluded the following:

“...technical expertise — the ability, say, to write computer code in your sleep — ranked dead last among Google's big eight. What employees valued most were even-keeled bosses who made time for one-on-one meetings, who helped people puzzle through problems by asking questions, not dictating answers, and who took an interest in employees' lives and careers.”^{iv}

Uh Oh. If nurses are like employees at Google, they want their managers to have individual meetings and actually get to know them.

This is made worse by the half-manager jobs that intercede between managers and their teams. Charge nurses, assistant managers, mentors...where do their responsibilities begin and end? Are they only there to provide technical support or should they also be building relationships, coaching employees for performance, and guiding their careers? If they are supposed to be true people-managers, what training have they received?

If you asked your nurses to name their manager, whose name would they provide?

My company knows that improving nurse retention requires managers to have one-on-one meetings with their nurses. We see a clear correlation that when managers conduct Stay Interviews, per our design, with their teams, nurse turnover falls way down. But asking nurse managers to meet individually with scores of employees leads to an eye roll and a chuckle.

Let's conclude with some rough math. If losing a nurse costs \$50,000, how many experienced and valuable nurses can be saved each year by providing them with a skilled manager who conducts individual meetings, helps them puzzle through problems, and takes an interest in their lives and careers? There is some resulting formula that says we need more nurse managers, both to cut nurse turnover and improve patient care, too.

Dick Finnegan is the CEO of C-Suite Analytics which helps companies improve employee engagement and retention. He is the author of “Rethinking Retention in Good Times and Bad”.

Many of the ideas in this article are adapted from Dick's book titled "The Power of Stay Interviews for Engagement and Retention". Dick can be reached at DFinnegan@C-SuiteAnalytics.com.

ⁱ From "*Leadership, Span of Control, Turnover, Staff & Patient Satisfaction*" by McCutcheon and Campbell, 2005

ⁱⁱ From "*Examining the Relationships Between Clinical Manager Span of Control and Manager Unity Work Outcomes in Ontario Academic Hospitals Study*", sponsored by Council of Academic Hospitals of Ontario; more information is available at <http://thesocstudy.com/index.html>

ⁱⁱⁱ From "*How Many Employees Can Nurse Managers Manage – While Maintaining Quality Care?*" by ChrysMarie Suby with data presented from the 2009 PSS Annual Survey of Hours Report

^{iv} "Google's Quest to Build a Better Boss" by Adam Bryant, New York Times, March 12th, 2011