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**LEADERSHIP:
TURNOVER REDUCTION**



TURNOVER REDUCTION

Nationwide, the cost of replacing a registered nurse ranges from about \$22,000 to more than \$64,000. Estimated national turnover rates for RNs range from 8 to 14 percent. Turnover costs can rapidly add up, resulting in a significant financial burden to a healthcare institution.¹ A recent American Health Care Association study found CNA turnover rates to be 66% percent overall. This is alarming when one considers that of the 109,000 full-time equivalent nursing staff needed to fill vacant direct-care positions, 60,300 were CNAs. In 2007, it was estimated that staff turnover expenses cost America's nursing facilities 1.6 billion to 2.3 billion dollars.²

How much could staff turnover be costing your facility?

Staff turnover is always a concern, but even more so in times of nursing shortages. There are concerns on both the non-economic and economic side. On the non-economic side, there are practicalities: retaining enough staff to provide care to patients, over-burdening of existing staff that could cause additional turnover, and finding quality staff to fill vacancies. On the economic side, there are direct costs that are clearly attributed to the staff loss, such as:

- Advertising and recruitment
- Vacancy costs (agency nurses, overtime, etc.)
- Hiring
- Orientation and training
- Decreased productivity
- Termination
- Potential patient errors
- Compromised Quality of Care
- Increased Turnover due to others dissatisfaction
- Loss of organizational knowledge³

The loss of a veteran nurse is especially costly, and not just monetarily. Nursing expertise and knowledge takes years to develop and when a veteran nurse departs, so does his or her knowledge. Healthcare institutions pay a hefty price for this loss of knowledge. Less experienced nurses still building critical thinking skills often fail to recognize symptoms early on, and may lack experience to implement steps that could avoid medical errors.

The loss of a veteran nurse is especially costly, and not just monetarily. Nursing expertise and knowledge takes years to develop and when a veteran nurse departs, so does his or her knowledge. Healthcare institutions pay a hefty price for this loss of knowledge. Less experienced nurses still building critical thinking skills often fail to recognize symptoms early on, and may lack experience to implement steps that could avoid medical errors. It is critical for management to maintain a continued focus on staff retention due to the many benefits of retaining staff, including:

- Reduction in recruitment costs
- Fewer vacancies means lower vacancy costs
- Fewer new hires thus reduction in hiring costs
- Less orientation costs
- Maintained productivity
- Decrease in patient errors
- Improved work environment; increase in satisfaction, trust and accountability
- Preservation of organizational knowledge
- Improved ease to recruit
- Sustained quality of care

Leadership should have processes to continually monitor staff turnover and measure employee satisfaction. In addition, implement steps to help with retention. Retention measures may include:

- Regularly surveying staff for feedback and input on job satisfaction
- Creating reward and recognition opportunities
- Making sure salaries are competitive
- Ongoing benefits improvement
- Scheduled salary increases
- Ongoing education and learning opportunities
- Mentorship Program
- Dedication of organization leaders to focus on retention
- Ongoing communication
- Mechanisms put in place for communication
- Promotion and career advancement opportunities
- Providing scheduling options
- Adequate staffing
- Creating an open door policy



Another effective tool to consider for staff retention is leadership rounding. Leadership—administrators, department heads, and/or nurse managers—round with staff and patients/residents to get direct information about the care and services provided in the facility. This effective method allows leaders to hear firsthand about what is going well in the organization as well as what issues may still need to be addressed. It also serves as an important sign of the leadership's commitment to performance improvement and can afford ways to acknowledge outstanding employee and/or unit efforts. When staff needs are being met, there is less chance for turnover due to dissatisfaction in the workplace.

Consider using an optional pre-scripted rounding tool when first implementing leadership rounding in a facility. Forms can be tweaked according to a facility's specific needs and goals.

While implementing some or all of these steps may seem expensive or time-consuming, it is important to compare the cost of not doing so and consequently experiencing large staff turnover.

Tips for Leadership Rounding:

- Gather some background information prior to rounding:
 - ♦ What is your organization trying to achieve?
 - ♦ How will improvement be recognized?
 - ♦ Current data or description of performance.
 - ♦ Improvements made to-date.
- Leaders conduct rounds as planned, maintaining a positive tone, building relationships with staff by taking the time to listen and respond to employees' and residents' needs.
- Ask questions and document key points.
- When employees raise issues or ask for help, assure them you will follow up.

References

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