Retaining Our Workforce, Regaining Our Potential

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Whether you liked Bill Clinton or not, you cannot argue that he relentlessly pursued a goal that was instrumental to his two-term presidency: improve the state of the U.S. economy. In these times of staff shortages, higher volumes, and dwindling profit margins, the healthcare industry needs to rely on the same focused strategy. Its goal should be: retain our workforce to regain our potential to succeed.

The cost of replacing a nurse is estimated to be anywhere from $10,000 to $145,000, depending on the type of job, the level of experience, and the clinical skills. Although shortages are most acute among nurses, radiology, pharmacy, and lab technicians are also experiencing severe shortages (Eckberg 2002).

In his presentation at a recent SSM Health Care recruitment summit, Matthew Cornner, director of educational services at the Washington, DC-based Health Care Advisory Board, suggested that high volume and low profit can be traced back to labor issues. According to Cornner, profits are eroded by the exorbitant amount of money that healthcare organizations spend on hiring temporary agency staff. Many organizations handle high patient volume, which is unpredictable, by calling in agency personnel to provide additional coverage. This occasional hiring not only forces the organization to pay premium agency rates, it also creates stress among staff members on the unit. Mixing agency staff with regular staff actually causes more work because temporary help cannot always perform at optimum levels. Regular staff members then are forced to carry the extra workload brought on by both the high volume and inadequate temporary help. As a result, these staff members need to be paid for the overtime hours they work, which further pushes the organization's expense. Any way you view the situation, the labor force crunch is at the center. So how could a healthcare leader ignore the importance of retention?

At a time when turnover in healthcare averages around 20 percent, only about half of all U.S. hospitals have active retention programs (Abrams 2002). Of those retention programs, only 10 percent are effective. More than half of all U.S. hospitals do not even report their turnover rate (Cornner 2002). In his article, "CEO Questions from Hell," Dr. John Sullivan (2002) posed a question that many healthcare administrators have likely asked as well: "If retention is such an important issue, why is there no department that is solely responsible for it?" This is a valid question. As a human resources executive, however, I do not recommend establishing a department to focus on retention. Retention is everyone's business
and should be everyone's focus. Instead, we must redirect our efforts to involve managers in our employee-retention initiatives by making them accountable for the turnover on their units. After all, if one of your managers unwittingly destroyed a piece of equipment valued at $30,000, you would certainly take the matter seriously and at the very least hold the manager accountable for ensuring that the problem did not recur. Why, then, do we not hold managers accountable when their employees quit our organizations? Conversely, we must acknowledge and celebrate managers who contribute to our retention efforts.

The first step in involving managers is to educate them about why employees leave. Research indicates that 89 percent of managers believe people stay in an organization because of the money (Kaye and Joordan-Evans 1999). Given that statistic, it is not surprising that managers are quick to blame someone else when their employees quit. Some managers blame senior management, while others blame the organization's lack of better pay scales or better compensation policies. We have to convince our managers that increasing pay or offering raises is not necessarily the key to retaining good employees. Of course employees want to be paid well or at least fairly, but money is not the primary reason they go elsewhere. The reality is that in the majority of instances when people leave, they are firing their managers, not their organizations. Their departure signals their dissatisfaction with the manager's action or inaction. We have to convince managers that their employees are their customers and as such should be satisfied, much like an organization needs to satisfy its patients.

As I mentioned, retaining employees should be the responsibility of everyone in the organization. The following are some suggestions that involve leaders, managers, medical staff, and employees alike in the retention efforts.

1. *Hire the right people.* When we are desperate to fill a position, especially amid healthcare staff shortages, lowering our standards is tempting. Finding the qualified person with the right amount of experience is difficult when so few people apply for a position. This is when settling for a mediocre candidate becomes a real threat. To ensure a good selection of applicants for every position, internal recruitment efforts must be as aggressive as the external efforts of recruitment firms. Questions at the job interview must go beyond clinical skills and experience, although they are certainly essential. The intangible qualities or "touchy-feely" characteristics of a candidate, such as people skills, initiative, and resourcefulness, are also important and must be considered. Lastly, determine if the candidate's values fit well with the values of the organization. This fit can indicate the potential employee's intention to stay in the long run.

2. *Develop a welcome plan.* Human resources leaders know that the first year for any employee is critical. This is the time in which new employees may feel frustrated and isolated because they are still discovering the ins and outs of the organization, learning the existing work patterns and procedures, and getting to know colleagues. In fact, one-third of nurse turnovers occur during the first
year. Managers should be aware of this phenomenon and arrange for many avenues of personal contact with a new employee. Also, leaders should encourage managers to develop a retention plan that includes a welcome-to-the-organization initiative. This initiative should call for current staff members to spend time with new employees, beginning on the first day; on units, each new employee should be assigned a “buddy.” When possible, leaders should create opportunities for employee socializing to encourage staff members from different units or within units to form bonds. New employees should be surveyed after one month, three months, and six months to identify problem areas.

3. Measure turnover. If you do not know how effectively your organization is retaining its employees, you can find out by measuring turnover. First, identify the worst-performing units and the reasons employees left those units. Second, once the reasons have been identified, assign accountability for reducing turnover to the unit managers. Provide managers tools for successful retention, such as tips on identifying employees at risk of becoming isolated and pointers on how to recover a resignation.

4. Hold medical staff members accountable for their role in turnover. Many leaders often overlook chronic abusive behaviors by certain physicians who mistakenly think nurses are their underlings and treat them, and lower-level employees, as such. These physicians get away with unacceptable behaviors because they are not confronted by senior leaders, many of whom fear that the offender may react negatively if confronted. Failure to address these behavioral problems, however, is inexcusable and imperils an organization’s status as an employer of choice (Modern Healthcare 2002, 26). Leaders who allow this kind of physician behavior to continue deserve all the turnover they reap.

5. Set goals, but be realistic. If the turnover rate in the organization is around 20 percent, setting a goal to decrease the rate to 10 percent next year may be overly optimistic. A solid employee retention program combined with accountability measures will most likely result in increased retention and decreased turnover. However, these changes are gradual. If the rate decreases from 20 percent to 17 percent to 14 percent to 10 percent over a three-year period, consider those as significant results.

A recent report from the American Hospital Association, “In Our Hands: How Hospital Leaders Can Build a Thriving Workforce,” states that one of the underlying reasons hospitals are having difficulty attracting and keeping sufficient workers is that they have lost sight of the meaning of healthcare work (AHA 2002). SSM Health Care agrees with this finding. Focus groups conducted by SSM revealed that the top two motivators identified by employees are work and collegiality among coworkers. We found that people tend to stay in an organization when they feel they are making a difference, when their work is meaningful, when they believe their potential is being fulfilled, and when they feel a sense of community. This
finding suggested to us that our employees’ personal missions and expectations are the key to their retention.

With that in mind, we rearticulated our system’s mission statement several years ago. Our mission statement was developed through a year-long process that involved nearly 3,000 of our employees. Following its introduction, we held small group meetings with more than 22,000 employees to encourage them to share on-the-job stories that reflect our mission in action. This storytelling underscored for us the fundamental reason that we in the healthcare profession entered the field: to make a difference in people’s lives, a motivation that is repeatedly revealed in numerous studies on employee recruitment and retention.

References

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