



Is Your Nurse Turnover An Issue? A Research Study on Turnover Variation

Fall, 2018

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The Problem: turnover can cost a hospital millions

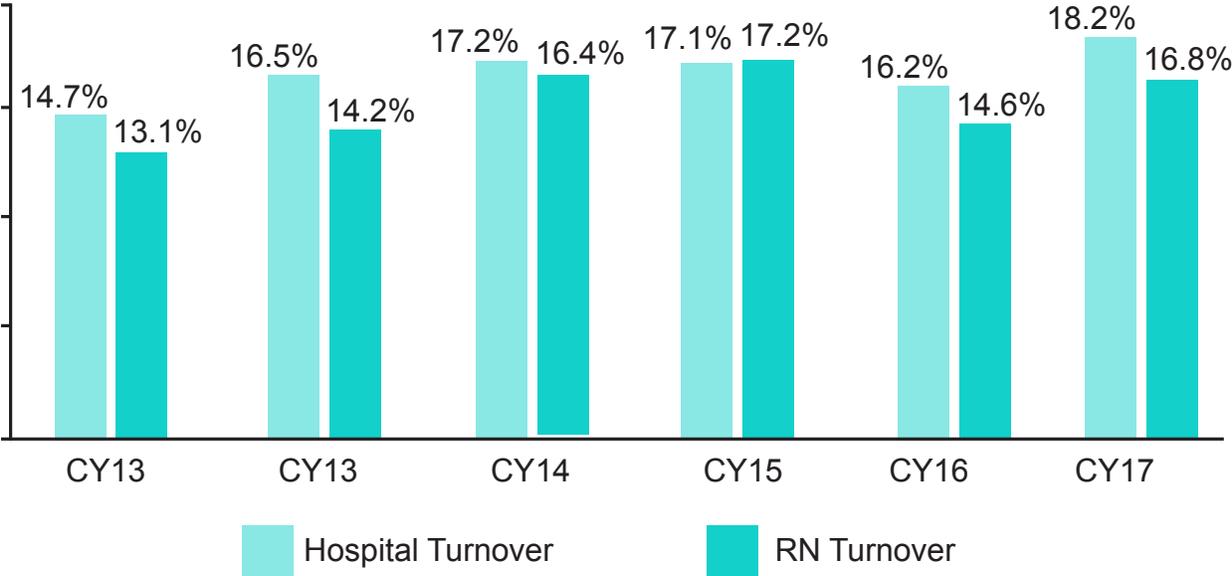
In 2017, the turnover rate for all hospital-based employees was over 18 percent (figure 1), a 5-point increase since 2010. And, according to the U.S. Bureau of Labor Statistics, the healthcare unemployment rate hit 2.6% in September¹ – near the lowest level in more than 10 years. Based on these figures, retaining healthcare staff will continue to be an accelerating challenge across the industry. Fueled by research indicating that meaningful engagement between staff and their managers will significantly impact burnout and improve turnover, health systems are investing in initiatives that drive employee engagement.

This situation is perhaps most critical for

nurses, one of a health system’s largest workforce segments. The average nursing staff turnover rate is 17 percent, per year, with the cost of replacing one nurse costing over \$60,000². As a result, the average hospital is forced to spend \$5M-\$10M annually on nursing turnover, alone. This expense is even greater when you address all health system staff, beyond just nursing.

But addressing nurse turnover requires insights and interventions that are specific to each health system and each unit. At Laudio, we believe understanding the nuances of nurse turnover is the key to making informed decisions and to taking meaningful action.

Figure 1 - Healthcare Turnover Rate



Insight: healthcare turnover in U.S. health systems continues to approach 20%.

What questions are addressed in this study?

To explore deeper insights into nurse turnover, our research team completed a study to measure variation in turnover trends. We looked at demographics including age, tenure, and clinical specialty to develop some insights around attrition and the implications for nurse leaders charged with managing it.

Some of the questions we address include:

- Are millennials more likely to leave compared to older peers?
- Does hospital size or setting impact turnover rates?
- What's the variation in turnover rates between clinical specialties?
- Is a nurse with longer tenure more likely to stay?

In addition to driving our own technology algorithms, the results from the research are designed to help nurse executives develop more informed retention strategies as the problem escalates.

Nurse leaders across the nation are asking similar questions. For example, according to Carol Boston-Fleischhauer, JD, MS, BSN Chief Nursing Officer and Managing Director at the Advisory Board, the issue "is a big red flag given the impact turnover has on productivity, staff morale, and maintaining quality and safe standards of care, not to mention the costs: every nurse that turns over costs the organization approximately 1.5 times his or her annual salary."³

This is also the reason why some of the most forward-thinking health systems are investing heavily in retention strategies. Reported by Reuters, HCA, the largest publicly-trade hospital chain, is investing \$300M in employee benefits. Tenet, a competitor, offers signing bonuses of up to \$25K. And Baylor Scott & White, the largest nonprofit network in Texas offers substantial tuition reimbursement.³

Health systems are continually seeking innovation to recruit and retain nurses and evaluating evidence to make the best decisions.

The Study

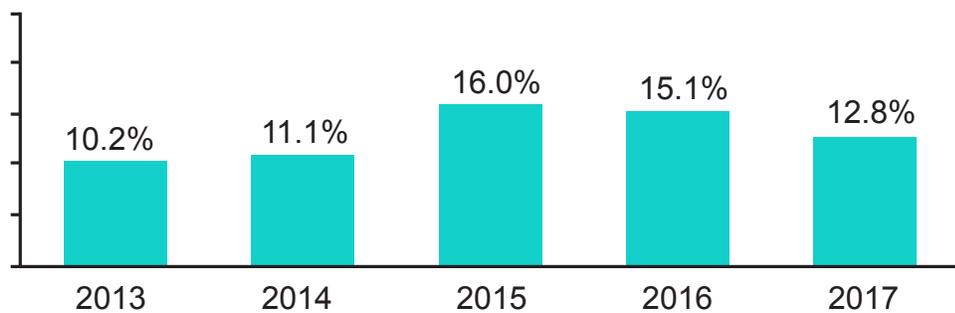
While other studies are based on self-reported aggregate turnover numbers from hospitals, Laudio worked with 12 hospitals across the U.S. directly and received data from their complete HR records, dating back 3-5 years each. Our data included information on 11,266 RNs and 1,486 CNAs. This process allowed Laudio to (1) apply a consistent definition of turnover across all, based on ANCC's Magnet definition and (2) allows us to analyze data in unique and informative ways to identify patterns that have not been previously published.

Do high performers struggle with turnover?

The twelve hospitals included in this study report turnover data well below the national averages. But although they are qualified as high-performing organizations, they are still dealing with turnover rates in double digits despite initiatives to address retention within their workforce.

From 2013-2015, such efforts included a proliferation of nurse residency programs, the implementation of pre-hire assessments, and other tools deployed in these 12 hospitals - but overall turnover increased. More needs to be done to drive greater impact.

Figure 2 - Average Annual Turnover Rate for RNs

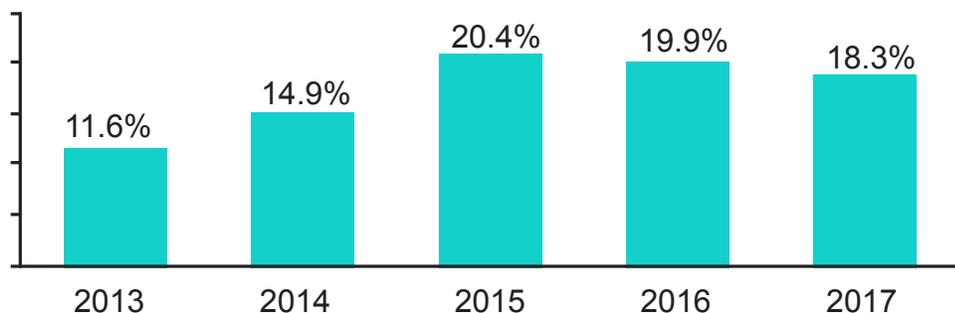


Insight: even in top health systems, turnover is an ongoing issue.

In the study, we also tracked the average average CNA (Certified Nurse Assistant) turnover rates over the past five years, which follow a similar trajectory – but overall are reported approximately 4 percent

higher than RNs. We also know from working with hospitals that CNAs are hired with the goal of seeing them through a BSN program, which is a strategy that comes with an inherently high turnover risk.

Figure 3 - Average Annual Turnover Rate for CNAs

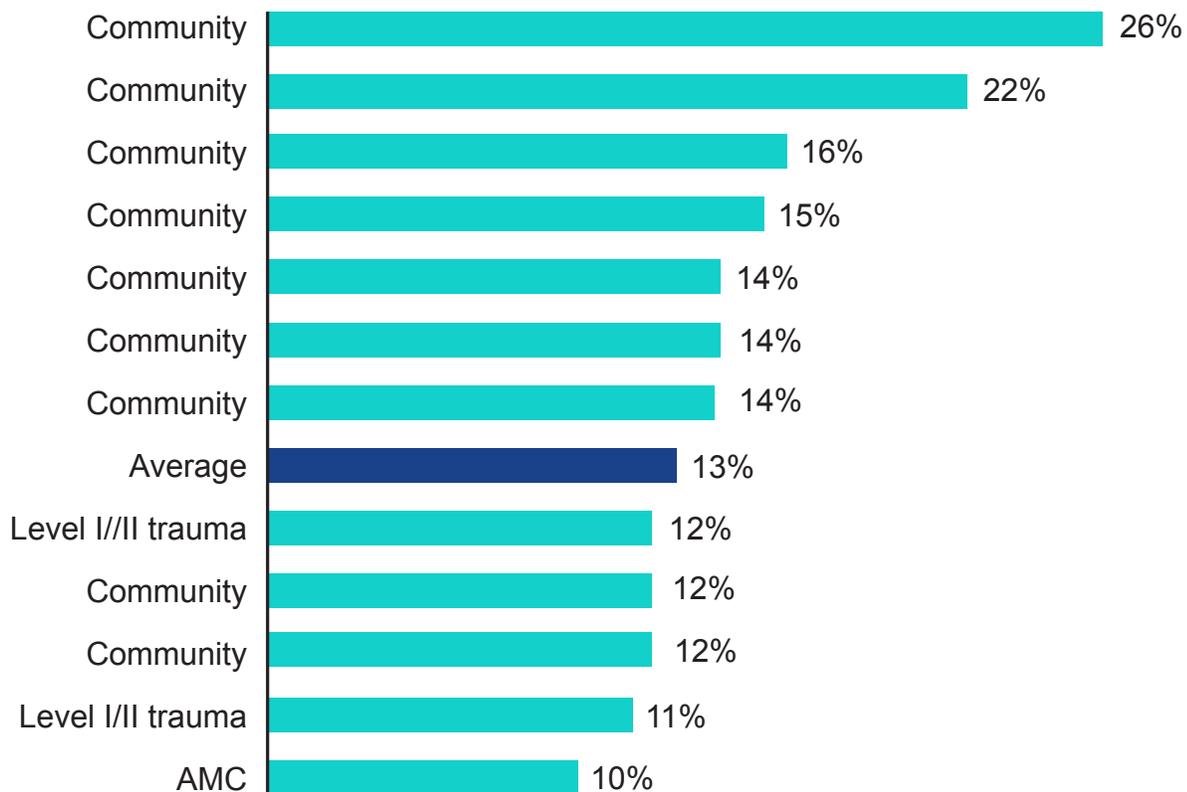


Insight: CNAs have higher turnover than RNs, though they follow a similar pattern.

Does turnover vary by hospital type?

The 12 hospitals in the study were also selected to represent a broader cross-section of health systems in the U.S. We included a variety of community hospitals, both urban and rural, trauma centers, and an academic medical center to demonstrate the variation of turnover among the type or location of the institution. From the reported data, it is clear that community hospitals experience higher than average turnover rates, (with wide variation among them) and academic medical centers represent the lowest rates.

Figure 4 - Variation among types of hospitals



Insight: the type of hospital can impact the turnover rate and variation within a single category is wide.

Does turnover vary by clinical specialty?

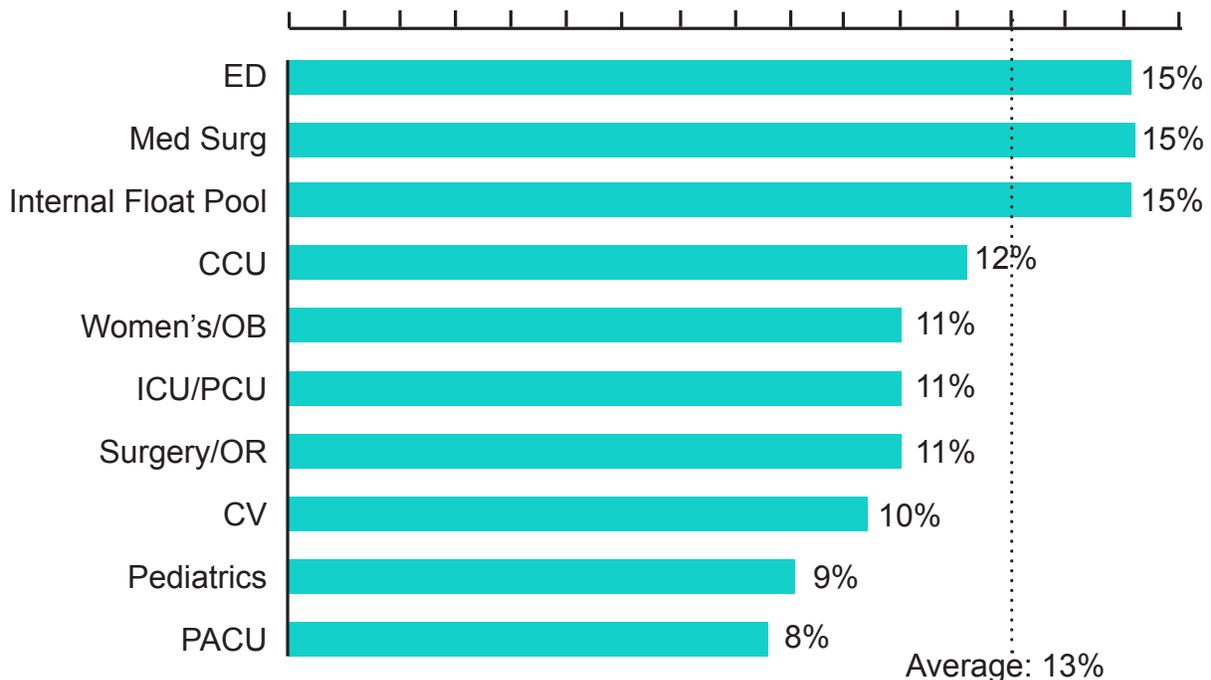
For nurses, different clinical specialties require unique skills and sensibilities. For example, the Emergency Department requires someone that can thrive in a fast-paced, unpredictable setting with limited need for strong interpersonal communication skills with patients. On the contrary, the Intensive Care Unit, with its focus on one-on-one personal care in a more structured environment, requires a different sensitivity to conversations with patients and families where building relationships is encouraged.

It is critical to understand the nuances of the role and, more importantly, how to manage staff in each environment to build stronger retention.

This study collected data across the twelve hospitals for each clinical specialty understanding that some units such as the ED, Med/Surg, and the internal float pool, represent managers with the highest span of control areas. The nurse manager in those units is spread thin across many nurses, and due to volume can be at a disadvantage in building relationships with their individual team members. This lack of engagement can lead to nurse turnover.

The results from the study indicate that units with typically the largest span of control have higher turnover rates. Helping leadership identify where to begin retention efforts, these insights can provide a logical starting point.

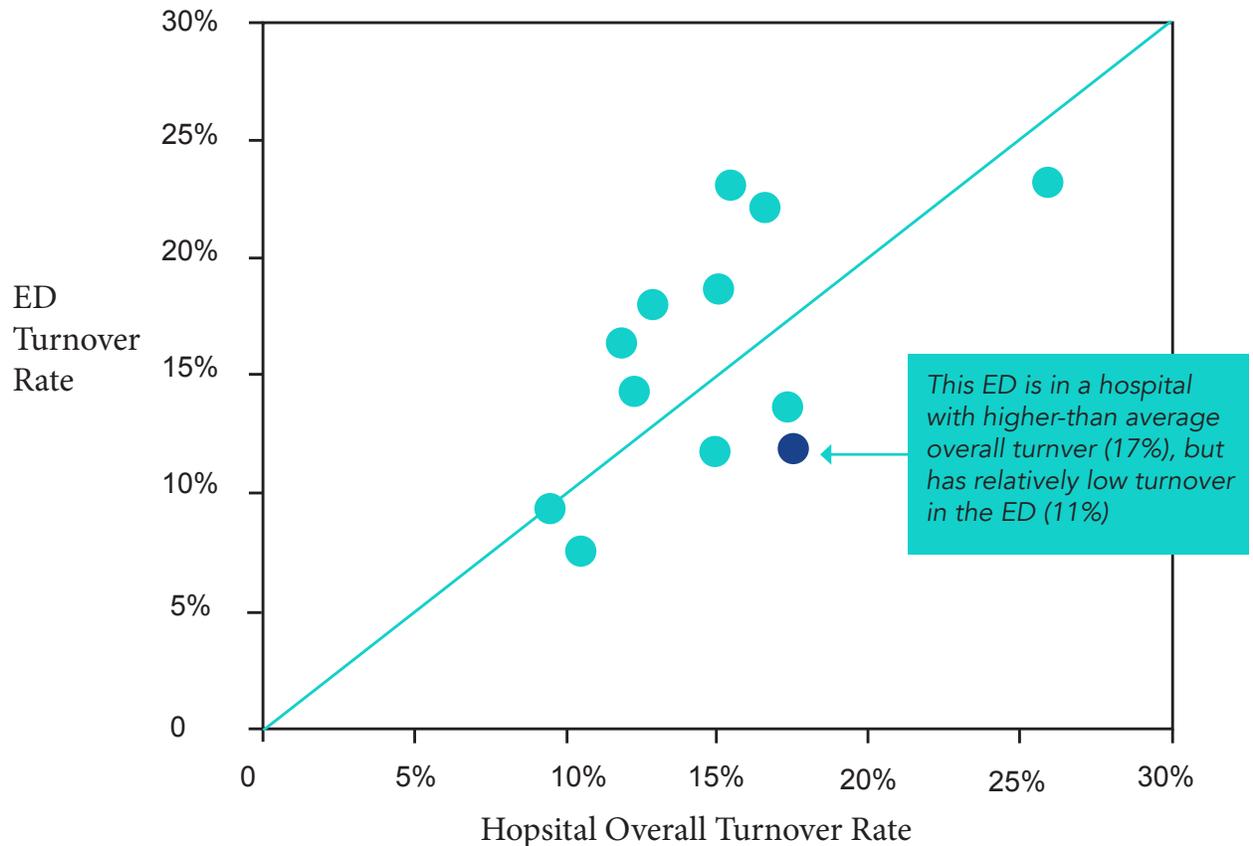
Figure 5 - Average RN Turnover by Specialty (median across 12 hospitals)



Insight: there is wide variation in turnover rates between clinical specialties.

Is there turnover variation within specialties?

Figure 6 - Average RN Turnover in the ED vs. Hospital Overall (RNs)



Insight: there is variation within clinical specialties, including exemplars.

Our study also showed that even within a specialty, variation is also apparent. This can be attributed to multiple factors including different managers and different cultures within the hospital.

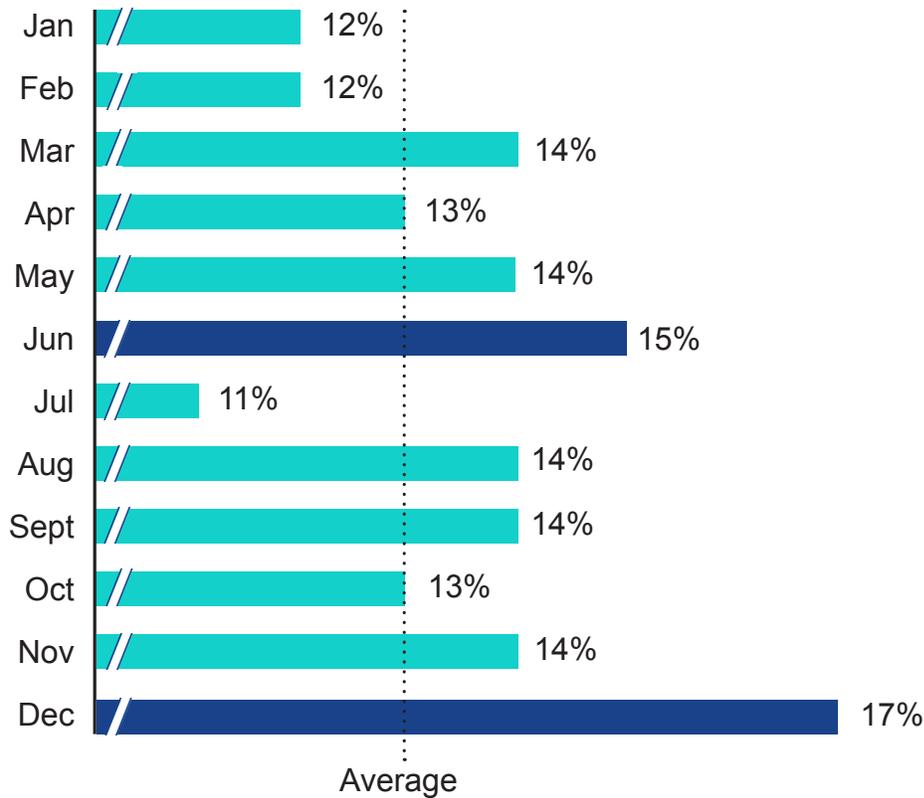
Researchers examined the variation in the Emergency Department and plotted the unit's turnover rate relative to the hospital's overall turnover rate. In many of the hospitals the ED turnover rate was higher than the hospital turnover rate, but in several, including the hospital represented by the blue dot,

the ED had a significantly lower turnover rate compared to the hospital.

This could be attributed to several factors, but perhaps the manager of the unit played a more supportive role with the members of the team or increased their points of engagement, which research proves can improve retention. Hospital leaders need the insights and benchmarks to recognize these strengths so they can be replicated across other units, ultimately building an organizational culture of excellence.

Is there seasonality in turnover?

Figure 7 - Average Annualized Turnover Rate by Month (RNs)



Insight: there are turnover spikes in June and December.

There has also been a question around turnover seasonality and whether certain months are more likely to experience a rise in nurse attrition. The study included a survey of terminations by date and aggregated the volume across all 12 hospitals in all units.

The results suggest that a nurse is more likely to leave in June and December, which may correspond to the natural breaks in nurse's school life, fiscal year

end, as well as the school schedule for families.

For example, high turnover in December could be related to end of year evaluations and low turnover in July could reflect a hiring surge at the start of the budgeted fiscal year. Each hospital will have to integrate qualitative research to discover the root of turnover at their organization, but clear trends exist nationally.

Can demographics predict turnover risk?

Figure 8 - Turnover Rates By Tenure and Age

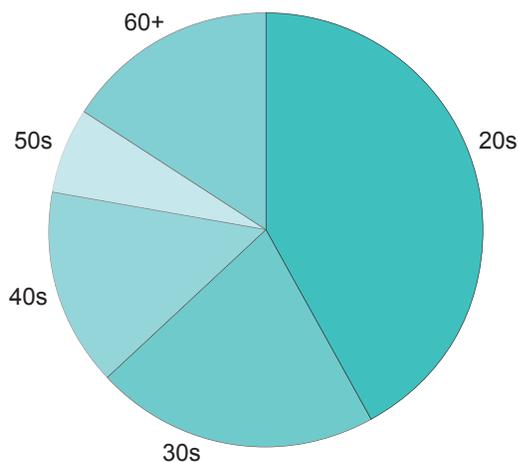
Years' Tenure	Age					All
	20s	30s	40s	50s	60s	
0 to 1	15%	23%	33%	9%	19%	24%
1 to 2	19%	23%	22%	24%	8%	18%
2 to 5	13%	15%	19%	14%	10%	14%
5 to 11	12%	6%	8%	11%	12%	9%
11 to 20		6%	4%	3%	4%	5%
20 +			2%	6%	15%	7%
All (Average)	15%	13%	12%	8%	11%	13%

Insight: newly-hired nurses in their 40s and more likely to leave in year 1

There is a perception that a lot of turnover is the result of retiring nurses and new-to-practice nurses going back to school after 18 months. In the study, researchers broke down the nursing population across the 12 hospitals and compared the age group by the number of year's at the organization. The data reveals that the highest level of turnover is among new hires in their 40s. Nurses in their 20s, 30s, and 40s are leaving at a higher rate than nurses at retirement age in their 60s which averaged 11 percent.

Although surprising, the data suggests that for mid-career nurses in their 40s, arriving at a new hospital can be a challenge. The assumption is that these seasoned clinicians do not require support - or the same support as a newly-graduated nurse. They may experience fewer new-hire check ins, a less rigorous onboarding process, and a lack of mentoring to help them navigate a new health system. As a result, they may choose to leave very early on in their tenure at the new system.

Figure 9 - Relative Number of RNs Hired Each Year, by Age



The analysis also showed that newly-hired nurses in their 30s/40s/50s/60s together account for more nurses than the 20-something hires. In fact, new hires in their 30s and 40s account for as many as new hires in their 20s.

Therefore, focusing on new hires in their 30s and 40s is one way to address the populations contributing at a greater rate to the hospital's turnover.

The Solution: analytics that drive improvement

Nurse turnover continues to challenge health systems across hospitals types, employee demographics, and experience levels. Understanding these underlying trends that contribute to nurse attrition, outside of planned retirements and continuing education, will help drive more impactful programs to solve the issue, which is costing health systems millions of dollars in replacement costs.⁴

In its technology, Laudio uses the results from this research to build a risk profile for nurses and also combines analytics from individual nurse data aggregated from multiple hospital databases.

The result is healthcare’s first Staff Relationship Management platform where nurse managers can engage in more frequent, timely, and relevant

interactions based on real-time insights on their team members. Insights are categorized in an evidence-based framework called CARES. This CARES framework, which has been proven to improve engagement and reduce churn, represents Celebration and recognition; Accountability; Risk of Burnout; Employee development; and Staff issues.

When nurse managers are delivered prioritized insights, plus the integrated tools to take action with their staff, they are best equipped to manage their team. They build a stronger, more positive culture based on improved staff engagement, satisfaction, and retention.

To learn more about how to build your engagement strategy, visit laudio.com.

Figures 10 - The CARES Framework for Staff Engagement

C	elebration & Recognition - 3x more than you think
A	ccountability - ensure even adherence to work standards
R	isk of Burnout - identify it and react appropriately
E	mployee Development - onboarding, education, laddering
S	taff and unit level issues – ensure voices are heard

Insight: a combination of data-driven interactions drives retention.

¹ <https://www.bls.gov/iag/tgs/iag62.htm#workforce>

² <http://www.nsinursingsolutions.com/files/assets/library/retention-institute/nationalhealthcarernretentionreport2018.pdf>

³ <https://www.reuters.com/article/us-hca-labor/hospital-operator-hca-spends-big-to-keep-nurses-on-board-idUSKBN11510F>

⁴ Li, Y., Jones, C.B. (2013). A literature review of nursing turnover costs. *Journal of Nursing Management*, 21(3), 405-418

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Data-Driven Engagement Solutions Designed To Reduce Staff Burnout and Improve Retention

Laudio is new engagement technology used by health system leaders to reduce staff burnout. A comprehensive workflow platform, the tool helps frontline managers make more frequent, timely, and relevant interactions with each team member. Driven by Laudio's data analytics, health systems facilitate prioritized and personalized outreach to build stronger staff engagement, satisfaction, and retention, which leads to improved patient satisfaction, quality, and safety.

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