

Nurse Workforce Strategy Yields Improvement

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As part of a recent turnaround project in the Phoenix, Ariz., a health system's management team developed an innovative approach to improving the nursing work environment. The facility initiated the turnaround process with turnover rates exceeding 30 percent and extremely high agency and traveling nurse costs. New and creative solutions—beyond adjusting salaries and improving scheduling flexibility—were required.

A High-Cost Issue

It's a known fact that today's nurse workforce issues directly affect hospital performance. High nurse stress levels and vacancy and turnover rates have been shown to contribute to a litany of critical performance issues, including:

- Poorer patient outcomes
- Increased severity-adjusted length of stay
- Higher average cost per discharge
- Lower return on assets
- Greater medical errors
- Increased risk-adjusted mortality scores
- Lower patient satisfaction
- Lower physician satisfaction
- Higher nurse turnover
- Higher occupational injury and stress losses

The costs of turnover are staggering. For example, the Institute of Medicine estimates that \$17 billion in avoidable medical errors can be saved annually.^a

a. Institute of Medicine, *To Err Is Human: Building a Better Health Care System*, 1999

A VHA study found that hospitals with a 22 percent or higher nurse turnover rate experienced an increase in the average cost per discharge of 36 percent.^b The study further found that hospitals with 22 percent or higher turnover had a 1.2-day greater severity-adjusted average length of stay as compared with hospitals with lower turnover rates.

Strategy and Solution

The turnaround team at the 600-bed public health system initiated a strategy to improve operational and financial performance. The strategy includes the use of an innovative and multifaceted technology-based program to enable the turnaround team to implement specific changes to reduce nurse turnover, improve workforce stability, and substantially improve nurse recruiting efforts. For example, the hospital will be able to benchmark the best performers in a department and then recruit to those specifications.

The solution's Internet-based technology focuses on reducing nurse vacancy rates, improving retention and nurse satisfaction, and enhancing the congruence of the nurse/work environment. To accomplish these objectives, the team has deployed a battery of proven assessment tools to benchmark the nursing staff in each of hospitals nursing units. When you combine the work environment

b. VHA Consulting Services, *Research Insights*, Summer 2002.

surveys with the assessment tools, you can then benchmark the stress levels within departments and build profiles for desirable nurse or employee hires. All these tools are delivered through an Internet-based technology that allows the nursing staff to participate either at work or at home. The benchmark assessments focus on individual and unit nurse styles, cultures, stress, and satisfaction and on the congruence or lack of congruence that may be present in each nursing unit. The approach is designed to diagnose nurse workforce issues, identify interventions, set priorities, and measure outcomes of actions needed to improve overall nurse satisfaction, unit effectiveness, and nurse retention. This benchmarking effort will better place and prepare newly hired nurse employees within the hospital, resulting in higher job success, satisfaction, performance, and retention.

Technology's Role

The healthcare system now uses a proprietary information technology (IT) system to guide system nurse management through specific nurse unit development, work environment congruence, and staffing initiatives. The benchmarking process is entirely automatic. The system quantifies the benchmark assessments and correlates assessment outcomes with specific operational performance metrics such as nurse turnover, nurse satisfaction, medical errors, length of stay, and patient satisfaction.

The turnaround team selected the solution because it provides critical reliable insights, directions, and quantifiable outcomes quickly. The system combines proven organizational development solutions with technology data mining. The automated knowledge management system is an added benefit. The system's bottom-line objectives are to better understand and quantify the issues and needs of nurses, launch specific interventions and support programs, track and measure outcomes, improve accountability, and achieve specific performance and financial improvements while realizing a strong return on investment, which we anticipate will exceed 200 percent.

Estimating Value

With the new technology, nursing leadership was able to offer immediate value to individual nurses, while building decision support tools that can be used to improve the individual nursing work environment. The result is an improved environment that reduces stress within the nursing units while building upon shared values and attitudes. In this case, the turnaround management team anticipates this approach will reduce turnover by as much as 25 percent. ■

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