Using Workforce Intelligence to Tackle Healthcare’s Biggest HR Issues: Caregiver Turnover, Retirement, and Engagement
The healthcare industry today is facing a perfect storm.

With millions of Americans newly insured under the Affordable Care Act, the baby boomer generation entering their senior years, and more people living longer with chronic medical conditions, the demand for patient care is greater than ever before. Yet the caregiver workforce—a highly specialized and mobile group of skilled workers—is in short supply. Hospitals are also facing a paradigm shift, with Medicare and Medicaid reimbursements now being directly tied to patient satisfaction and readmission rates.

IN THIS PAPER, LEARN HOW TO:

· Keep the financial health of hospitals in check
· Improve retention of caregivers
· Increase employee engagement and patient satisfaction
· Prepare for upcoming caregiver retirements
Keeping the Financial Health of Hospitals In Check

Healthcare reform has placed new pressures on hospitals since the introduction of the Affordable Care Act in 2012. Patient satisfaction—measured in the United States through the standardized Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey—and patient readmissions are now connected directly to Medicare and Medicaid payments.

As a result, patient outcomes matter more than ever to the success of healthcare providers. 86% of healthcare executives say talent plays a critical role in determining their patient satisfaction scores. Recruiting, developing, and engaging a highly skilled, in-demand workforce that has a direct influence on the health of people raises the stakes for HR. Just as surgeons cannot rely on gut feeling in the operating room, HR can no longer afford to use intuition when it comes to the workforce. What’s required is a more precise, scientific method that gives HR the strategic advantage needed to continuously improve their organization’s patient outcomes.

With new workforce intelligence solutions, HR gains the ability to dig deep into its ecosystem of data and uncover actionable insights that enable better talent decisions and lead to better patient outcomes and financial health. This guide provides an in-depth look at how workforce intelligence is used to tackle healthcare HR’s toughest issues: retention, retirement, and engagement.
Improving Retention of Caregivers

Hospitals need to invest in programs that will give caregivers a reason to stay, but it can be difficult to determine which programs are right.

Competition is fierce for nurses and job satisfaction is vital to preventing these highly skilled workers from resigning or, worse, leaving the profession completely. According to a survey by NSI Nursing Solutions, the average cost of turnover for a bedside Registered Nurse (RN) ranges from $37,700 to $58,400. The cost of resignations is compounded by the fact that median tenure for RNs is only 1.57 years, which leads to these costs being incurred at a high frequency.

Workforce intelligence provides HR with the intel needed to find out what retention issues exist at their organization and develop solutions tailored to the needs of their staff. In turn, better retention will lead to improved patient care and higher satisfaction.

Here are the steps to reducing regrettable turnover:

**IDENTIFY YOUR PROBLEM**

Assess what damage has already been done by first looking at resignation rates in the workforce. Calculate nurse resignation rates the same way for all hospital groups to enable meaningful comparison across the organization. As you dig into the data revealed by this metric be sure to also take note of who exactly is resigning: Is it your top performers? Senior RNs? When many of the caregivers who leave are your best and brightest, they take all their skills, knowledge, and connections with them, putting your organization at a disadvantage.

Stay on top of how workforce dynamics, such as resignations, are impacting your patient readmission rates. With less skilled or tenured caregivers available to provide patient care, it becomes harder to avoid hospital-acquired conditions that require readmission.

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2. Turnover RX: How to Cure the Retention Problems Ailing Your Health Care Organization, CareerBuilder, 2010
LOOK FOR THE SYMPTOMS

Building on the resignation rate, perform an analysis to determine what factors increase and decrease resignations. With this approach, you can effectively target and fine tune your retention strategies based on data (and not intuition or anecdote).

Also, find out how resignations are affected by things such as compensation ratio, promotion wait time, pay increases, tenure, performance, and training opportunities. These insights support better decisions around changes to pay, benefits, and professional development in order to manage costs, while retaining the right people.

DETERMINE WHO CAN BE SAVED

Implementing a one-size-fits-all retention program is the antithesis of strategic HR: not all turnover is bad, particularly when it is occurring among low performers in non-critical positions. Determine where to invest in HR programs by comparing how resignation rates vary across locations, functions, tenure, age and diversity groups, performance level, and more.

Use predictive analytics to reveal which of your nurses are at risk of leaving the organization before they hand in their resignation letter. For example, the Visier Workforce Intelligence solution is up to 10x more accurate at predicting who will resign over the next 3 months than guesswork or intuition — and this is invaluable because it is easier to stop a caregiver from leaving than it is to bring them back.

You may not be able to stop everyone, but if you retain even a handful of key caregivers for more than a year, the savings, as well as improvement in patient satisfaction and outcomes, can be significant.
PRESCRIBE A REMEDY (OR TWO)

Now that you know where to focus your efforts, begin crafting a program based on an understanding of what drives away and retains key people. To get a picture of what motivates a group of people to stay, ask questions such as: Is it career advancement opportunities? Learning and development? Flexible work policies? If you don’t already know, have a conversation with your HR business partners and their leaders.

For example, insights into new hires tell you whether new nurses are getting up to speed effectively. This reveals if you need to improve your onboarding program or look into their manager’s effectiveness — it could be a sign that the manager needs help creating a better onboarding experience for new staff.

MONITOR FOR IMPROVEMENTS

Once you’ve launched your targeted retention program, your need for timely and accurate workforce intelligence continues. It is important to use the steps above to monitor the program, make improvements, and watch for any upcoming issues. Program participation levels are not a measure of success. It is important to follow KPIs (such as reduced resignation rates, improved engagement scores, or lower patient readmission rates) that actually reveal whether the programs are acting as levers to improve organizational performance.

10 Important Workforce Intelligence Metrics and Analytics for Caregiver Retention

1. RESIGNATION RATE
2. IMPACT ON PATIENT READMISSION RATES
3. RESIGNATION DRIVERS
4. RESIGNATION CORRELATIONS
5. RESIGNATION SEGMENTS
6. RISK OF EXIT
7. PROMOTIONS ACTIONED
8. TRAINING IMPACT ON PERFORMANCE AND PROMOTIONS
9. NEW HIRE PERFORMANCE
10. RECRUITMENT TRENDS
Increasing Employee Engagement and Patient Satisfaction

Healthcare providers are more motivated today than ever before to measure, understand, and plan how they engage and retain their workers.

A study by Collaborative Healthcare Strategies shows that in 2013 the clinical process largely determined the financial health of a hospital. Yet today, only a few years later, human factors like patient experience, outcomes, and efficiency matter more than the clinical process:

**LOOK FOR THE SYMPTOMS**

Hospitals’ Value-Based Purchasing (VBP) payment will increasingly be based on their performance on outcomes/efficiency

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Source: Bruce Spurlock, MD, Cynosure Health

With at least some of the primary drivers of patient satisfaction results influenced by the commitment of the clinical and support staff, engagement matters more than ever. However, a Towers Watson global workforce study revealed that less than half (44%) of the U.S. hospital workforce overall was highly engaged.

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Better engagement requires more than just a survey

While an important measuring tool, engagement surveys do little to answer how engagement actually affects patient outcomes.

The challenge for most healthcare providers is that it’s complex to blend the necessary data sets together to validate whether worker engagement makes a difference in patient satisfaction scores. In order to unlock the value of engagement data, it must be combined with other workforce information – such as employee data from your HRIS, performance management system, and business outcome data from your ERP — and brought together into a single system that supports broad, ad-hoc analysis. Once this system is in place, analysis of worker engagement can begin. Keep in mind that true analysis is not just about creating static reports or dashboards — it requires the ability to combine different metrics, statistical processes, and ways to share and display the data so that stories that answer critical business questions can be told. True analysis should answer questions like:

- Does high engagement lead to improved patient outcomes?
- Does changing a team’s supervisor constantly affect their level of engagement?
- Which engagement factors (e.g. supervision or rewards) are most effective in reducing nurse resignations?

Fostering a committed, energized workforce requires more than striving to reach a certain engagement threshold. Instead, healthcare HR leaders need to use data to discover how to strategically address the complex drivers of engagement — in fact, it’s absolutely vital for a healthy bottom line.
Preparing for Upcoming Caregiver Retirements

Patient outcomes are in jeopardy as the growth in demand for care is at risk of outpacing the supply of workers needed to replace those that are retiring.

With baby boomers heading into retirement—by 2050 an estimated 83.7 million people in the U.S. will be 65 or older⁶—healthcare providers have an increasingly large influx of patients entering their doors. But there is another retiring population that is perhaps even more worrying: nurses. According to a survey by the National Council of State Board of Nursing and the Forum of State Nursing Workforce Centers, 50% of registered nurses (RN) are age 50 or older⁷. This equates to more than one million RN’s will reach retirement age within the next 10-15 years⁸, leading to a drastic shortage of skilled, tenured nurses.

Navigate nurse retirement with intelligent workforce planning

Workforce planning is the business process for determining the right talent, at the right time and costs, and in the right quantity to deliver on your business goals. A Harvard Business Review Analytic Services survey of 323 corporate executives found that 73% of these leaders experienced talent shortfalls leading to missed business objectives as a result of poor workforce planning.

The planning process has traditionally been driven by Finance because of their breadth of expertise in coalescing a company-wide budget that takes into account organizational strategy, historical costs, future plans, and their best projections for how local and global economies will perform. What this team lacks knowledge in though is the in-depth understanding of the workforce.

HR has deep, specific insights into personnel and timing requirements that complement Finance’s strength in painting the broader strokes of the budget. Because of the complexity of the workforce planning process, it truly needs to be a more collaborative effort between HR and Finance. And with HR becoming more data-driven with talent management, now is the time for healthcare providers to take an intelligent approach to planning that will enable them to navigate nurse retirements successfully.

In order to best prepare the organization for impending retirements, HR should employ an approach to workforce planning that is:

- Driven by both HR and Finance
- Tied directly to patient outcomes
- Reflective of changing workforce dynamics inside and outside the organization
- Built on data integrated from all disparate HR systems

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⁷ National Nursing Workforce Study, National Council of State Boards of Nursing and The National Forum of State Nursing Workforce Centers, 2015
Turn annual practices into monthly habits

According to the Aberdeen Group, it is important to build a strategic workforce plan that looks out 18 months or longer, and addresses both the number of nurses required to meet patient outcomes and the skills and capabilities those individuals must possess. However, a strategic plan is not enough on its own. Healthcare providers must also create operational workforce plans that look at the near term and help the organization map its existing skills, capabilities and resources against current challenges.

Furthermore, workforce plans must never be static. Traditionally, talent planning is a once-a-year exercise, but in reality it’s a practice that needs constant adjustment to ensure goals are met. The global healthcare industry is in flux and nurse retirements will occur throughout the year. To best prepare for these changes, HR must continuously review and revise plans with senior leaders. This will keep the business on track and provide early warning of any corrective actions that may need to be taken.

Future-proof your healthcare organization

According to the father of human capital strategic analysis and measurement, Jac Fitz-Enz, planning starts to positively affect revenue growth when 70 percent of key positions have replacements ready. A good rule of thumb is to have replacements ready for 90 percent of all key positions at any time, in case the person who is currently in a critical role leaves unexpectedly.

In the past it has been possible to find people to replace retirees, but this is not true for the future: those who are leaving the workforce had fewer children than their parents did, which means healthcare organizations have a smaller pool to work from. Data-centric workforce planning helps HR be strategic about when and who to recruit from this pool. This keeps hiring on pace to meet future needs, and gives retiring RN’s ample time to sufficiently mentor the next generation of nurses before they leave.

As you go through this process, be sure to also develop different forecasting models and weigh them against each other to determine the right scenario to follow through on. Use a workforce intelligence solution — preferably one that seamlessly connects patient satisfaction and readmission data with your workforce analytics — to make this process easier and more collaborative.

In closing

Keep in mind that workforce intelligence is as much about organizational success as it is about data: if you spend all of your time gathering the information, you will have less time to spend making decisions based on a solid understanding of what drives service quality and ensures positive patient outcomes. The cure for healthcare HR ailments is the right investment in people, process and technology.

When all these are aligned, HR can accurately action on its top issues. Furthermore, workforce intelligence allows healthcare HR to predict challenges before they arise (such as risk of exit), model different scenarios that enable better decision-making, and forecast workforce costs that will keep the bottom line healthy and patients increasingly satisfied.