

Trustee Insights

STRATEGIC PLANNING



The Key Role of Trustees in Nurse Retention

Addressing the issues that drive turnover in nursing staff

BY KRISTIN BAIRD

Nurses make up the largest component of the hospital staff and are accountable for the majority of touch time with patients. Overall quality, safety and service at a hospital or health system rely on having a consistent, reliable nursing staff. Nurses help drive organizational and financial performance, including improving patient safety, satisfaction and outcomes, so

high nurse turnover can be costly in a number of ways.

That's why it's important for the board to play a major role in curbing nurse turnover. To do that, board members need to understand the issues that drive turnover among nursing staff.

The Baird Group recently delved into the reasons for nurse turnover, its impact and what can be done about it. This qualitative research was based on in-depth interviews with chief nursing officers (CNOs) around the U.S. in settings ranging from rural, critical access hospitals to large, multistate health systems

and academic medical centers. Interviewees came from both for-profit and not-for-profit health care organizations.

What CNOs revealed has key implications for hospitals and health systems and their trustees. It's actionable information that can prompt meaningful change.

The Impact of High Nurse Turnover

The aphorism "it starts at the top" is certainly true for health care organizations whose board members set the stage for ensuring an environment that will attract and retain top talent, including nursing staff. Boards set the strategy and hold leaders accountable for maintaining a culture of quality, safety and service that should make nurse retention a priority.

The financial impact of turnover can be significant. According to the [2020 NSI National Health Care Retention & RN Staffing Report](#), based on surveys returned by 164 facilities in 42 states, RN turnover was 15.9% in 2019, up from 14.2% the previous year. Consider that turnover is likely to be higher once the impact of COVID-19 has been factored in. Your organization's most recently hired nurses also are the most likely to leave: 25.3% of nurses leave within a year of starting a new job.

NSI Nursing Solutions Inc. reports the average annual cost of turnover

for a bedside RN is \$44,400. Each percentage change in turnover could cost — or save — a hospital an additional \$306,400 a year, on average.

Hospital trustees are accountable to a wide range of community constituents to provide quality, safety and service. High nurse turnover rates can potentially affect patient quality, safety and outcomes. Trustees also are stewards of their hospital's or health system's fiscal strength and reputation. These also are potentially threatened by rising rates of nurse turnover.

Recognize the Link Between Culture and Retention

Culture is one of the greatest contributors to employee retention. The highest percentage of turnover occurs during a nurse's first year of work at an organization. When the organization's culture is not a good fit, a nurse is likely to begin searching for another organization where the fit will be better.

Each organization has a stated culture — what the written mission, vision and values statements say — and an actual culture — how people act and operate on a day-to-day basis. In some organizations, these two elements lack alignment.

The link between culture and retention is strong. When a hospital's or health system's actual culture doesn't mirror its stated culture — when leaders and staff don't "walk the talk" — the organization is at risk of losing staff. As a

trustee, you have the opportunity to advocate for doing a culture assessment to identify potential gaps between the organization's stated mission, vision and values and the reality as perceived by staff members, in this case nursing staff.

If disconnects emerge, your board has the opportunity to take

action to ensure nursing is represented with at least one voting member on the board. From a practical standpoint, a nurse on the board represents the largest segment of the hospital staff and demonstrates that the voices of nurses are valued and heard. Currently, less than 5% of hospital boards include nursing representation.

Key Questions Trustees Should Ask to Address the Challenge of Nurse Retention

Trustees serve in a critical leadership role, poised to help their health care organizations improve operational excellence and employee engagement and retention. Engaging and retaining nursing staff can help drive organizational performance, including improving patient safety, satisfaction and outcomes.

Here are key questions for your board to ask as you take on the challenge of addressing nurse retention in your organization:

- What are our turnover rates and how do they compare to goals?
- How do our turnover rates compare to state and national averages?
- How is nurse turnover affecting the organizational and financial performance of our organization?
- What is our organization's retention strategy?
- What are our leaders' top priorities for making improvements?
- Do we have resources allocated to help achieve our goals? If not, what is lacking?
- How can our board support senior leaders' efforts? (e.g., forming a board committee to support goal achievement, having the CNO serve as a board member).

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If disconnects emerge, your board has the opportunity to take action to close any identified gaps. What steps are needed to more strongly align culture with mission, vision and values?

Define Retention as a Strategic Imperative

The ability to attract and retain exceptional nursing staff has always been a strategic imperative for hospitals. Today that's more important than ever. The COVID-19 pandemic has challenged health care organizations around the country to continue providing exceptional service and high-quality patient care despite stresses on the health care workforce and financial pressures on the organization.

Nurse retention can strengthen or weaken a hospital or health system. Trustees can help strengthen the organization by establishing a clear retention strategy with metrics that can be monitored over time. Employee engagement can be an important leading indicator of future turnover. Engagement and turnover metrics should be part of your organizational dashboard and reviewed regularly.

Establish a Clear Retention Strategy with Metrics

Your hospital's or health system's retention strategy will be based on

the gaps identified between stated and actual culture. Once your board has embraced retention as a strategic imperative, the next step will be to develop a clear strategy, with metrics to help measure progress.

Causes of nurse turnover vary from facility to facility, but our research identified four primary themes: 1) Lack of leadership at the department level, 2) dissatisfaction with the culture, 3) insufficient preparation and onboarding and 4) inadequate staffing levels. It's likely your findings will be very similar. Based on the findings and goals established at your hospital or health system, take steps to close gaps and create stronger alignment between stated and actual culture.

Many organizations have created retention strategies targeting new graduates, but few organizations have strategies aimed at retaining experienced nurses. As baby boomers continue retiring, experienced nurses are leaving in high numbers, taking with them decades of experience and intellectual capital. A comprehensive retention strategy will include tactics for retaining experienced nurses who are nearing retirement.

Set Clear Expectations for Leaders

Having strong leadership in all departments is the first step in improving engagement that results in better retention. Many CNOs interviewed

reported that they promoted nurses into leadership roles because of their remarkable clinical skills. Despite their best intentions, they gave little attention to developing leadership skills in these new managers.

Allocate Resources to Create a Good Work Environment

In addition to setting expectations, hospitals and health systems need to give managers the tools they need to improve retention. This includes leadership development to ensure people have the skills needed to manage and coach effectively. [Gallup research shows](#) that people leave their bosses, not their jobs.

Appoint executive sponsors who will be responsible for retention. They may be senior leaders or board members or both. It's important, though, to clearly convey who is accountable for managing retention.

In addition to leadership development and accountability, ensure that you are providing competitive salary and benefits — that's foundational and a critical investment to make.

Finally, make sure nurses have a seat at the table, both as part of the board and the C-suite team. Ensure they are key participants in developing strategic initiatives.

Review Metrics Monthly

Finally, review metrics regularly — on a monthly basis is optimal. Look at turnover rates for the hospital

or health system, by facility and by department. Compare your organization's metrics to national and state metrics and any identified best practices. Correlate organizational engagement statistics with retention statistics to clearly show how one affects the other.

The culture of an organization is strongly tied to its leadership. A strong culture starts at the top of the organization — with the board — and is modeled, coached, supported and rewarded at every level. A strong culture will support a strong sense of team and build trust.

Culture is made explicit through an organization's mission, vision and values. But it's made real by communication and action from the top down that clearly and explicitly support the mission, vision and values in day-to-day operations and decisions.

A strong culture — one that can be measured — will drive strong organizational performance and increase retention.

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Please note that the views of authors do not always reflect the views of the AHA.