STAFF RETENTION AND TURNOVER

1 Aim

To update the Board on current turnover trends impacting critical supply of our workforce and to identify potential solutions for implementation to both improve retention and reduce turnover.

2 Background

Stable staff retention and turnover within ‘manageable’ levels are critical aspects of organisational success and service delivery. It has long been accepted by researchers including Levin and Kleiner (1992) and Johnson et al (2000), that within organisations there is a ‘turnover range’ which could be described as ‘functional’, allowing for an influx of fresh ideas and displacement of poorer performers. Both above and below this agreed range, turnover could be regarded as ‘dysfunctional’, potentially indicating at the lower end an unwillingness to address issues or a potential cap on career opportunities and at the top end, a threat to service delivery potentially indicative of morale issues (or other indicators of organisational health).

Whilst the acceptable (functional) turnover range varies from sector to sector across industry and business, within the health sector this range has been set fairly low in relative terms, recognising the importance of a stable workforce, particularly in terms of continuity of care. The measurement of turnover is a key indicator within the staff domain of our trust balanced scorecard (performance management framework - PMF) where functional turnover has been set within the range of 7.0%-9.5% (RAG rating of ‘green’). Outside of this optimum state, turnover of between 6.0%-6.9% and 9.6%-10.5% have been RAG rated as ‘amber’, with turnover rates of below 6% and above 10.5% rated as ‘red’. The measurement of turnover has been considered as a trust total, however clearly within this measurement there will be understandable variations across certain professions. For the first 4 years of monitoring this indicator within the context of the PMF, the RAG rating was consistently green. Within the last eighteen months it was reporting as amber on a regular basis and more recently, has become red.

In itself, increasing turnover can have a serious impact on quality and service delivery and some of the reasons behind the increases will be discussed in the next section. Where this is compounded however by shortages in key professions, this creates a ‘perfect storm’ in terms of workforce planning. Much of workforce planning is predicated upon understanding the past and using that to predict the future. In the majority of situations that has not proven to be accurate and certainly nobody predicted the combination of significantly reduced supply and increased turnover. Across the healthcare system, even as turnover began to increase, there was little realisation that the solutions needed to go beyond faster and slicker recruitment to keep pace.

Stable staff retention and turnover has historically been a key feature of Gloucestershire Hospitals NHS Foundation Trust’s workforce profile. However, the current workforce landscape faces unprecedented challenge. What is clear is that this is not a local problem. In comparison to the national picture and specifically with regards to large acute trusts like ourselves, our overall turnover figure (Table 3.1 below) is circa 0.6% below our comparators.

Significantly, turnover rates for registered nurses and health care assistants indicate an unprecedented increase locally and nationally over the same period. Turnover for registered
nurses increased from 8.5% nationally in 2012/13 to 11.82% in 2014/15. Turnover rates for health care assistants increased from 12.83% in 2012/13 to 17.70% in 2014/15. This increase was recognised by Monitor and the TDA recently in their joint letter to trusts with reference to control of agency expenditure. The ‘Growing Nursing Numbers’ literature review (July 2014), cited that:

- 10% of Nurses (nationally) are considering leaving
- Turnover rates are likely to be higher in areas such as care of the elderly
- Newly qualified and those Nurses nearing retirement most likely to leave
- Main reasons for leaving – job satisfaction, stress and burn-out
- UK has one of the highest rates of Nurses reporting burn-out in Europe, particularly in newly qualified Nurses (turnover rates decline from year 3 onwards).

On a local basis, a comparison with six of our near neighbours in the acute sector demonstrates that we are, with the exception of one trust, performing much better with regards to retention, however that simply outlines the potential for the problem to get worse if we do not put vigorous focus to addressing these issues.

Unstable staff retention and turnover is not exclusive to registered nurses and health care assistants. There are a number of other professions, most notably within the Allied Health Professions (AHP) workforce that are experiencing serious issues in terms of recruitment and retention. The remainder of the paper will focus on the issues concerning these key staff groups whilst recognising that further analysis will be required across other staff groups.

3 Key Metrics and Issues Identified

3.1 Table 1 (below) focuses on those areas where turnover is currently showing in excess of 10%. Whilst the overall trust total for 2012/13 shows turnover as higher than 10% this was inflated over this period by a number of leavers under the ‘MAR’ (‘Mutually Agreed Resignation’) scheme without which, figures were consistent with previous years.

Table 1 Turnover rates corporately and divisionally for areas where turnover is >10%.

<table>
<thead>
<tr>
<th></th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>*Headcount</th>
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<tbody>
<tr>
<td>Trust Total</td>
<td>10.22</td>
<td>9.67</td>
<td>11.15</td>
<td>747/6697</td>
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<tr>
<td>N&amp;M</td>
<td>8.5</td>
<td>9.58</td>
<td>11.82</td>
<td>258/2182</td>
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<tr>
<td>HCA</td>
<td>12.83</td>
<td>16.08</td>
<td>17.70</td>
<td>143/808</td>
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<td>AHP</td>
<td>17.21</td>
<td>13.17</td>
<td>14.40</td>
<td>52/361</td>
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<tr>
<td>Medicine</td>
<td>9.78</td>
<td>13.55</td>
<td>15.32</td>
<td>204/1332</td>
</tr>
<tr>
<td>N&amp;M</td>
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<td>11.83</td>
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<tr>
<td>HCA</td>
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<td>23.12</td>
<td>77/333</td>
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<td>Surgery</td>
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<td>11.01</td>
<td>193/1753</td>
</tr>
<tr>
<td>N&amp;M</td>
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<td>7.60</td>
<td>11.61</td>
<td>93/801</td>
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<tr>
<td>HCA</td>
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<td>9.31</td>
<td>14.81</td>
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<td>10.06</td>
<td>173/1719</td>
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<tr>
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<td>9.6</td>
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</tr>
<tr>
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<td>7.22</td>
<td>10.20</td>
<td>13.46</td>
<td>14/104</td>
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</table>

*Headcount refers to ‘permanent staff’ and excludes transitory training grades and fixed term contracts

What is clear from the table is the very clear trend on increased Nursing and HCA turnover. However whilst HCA turnover has increased beyond 10% in all divisions, the significant rises in Nursing turnover are primarily found in Surgery (a 38% increase over the period) and most sharply in Medicine (a 100% rise over the same period).
Within Medicine, the main issues are found in the GOAM (General and Old Age Medicine), Stroke and Neurology wards where turnover of both Nurses and HCA’s has escalated significantly. Within D+S division, whilst the overall turnover of AHP’s has fluctuated, the Radiology and Therapy Service lines are showing the biggest increases over the period.

3.2 An ‘exit interview’ process has been in operation for a number of years, designed to identify both the reason for leaving and where possible, the destination of the leaver. This, until recently, has been an option for staff, without any compulsion to complete. The majority of these have been completed by HR staff (to ensure staff were comfortable at revealing their reasons for leaving), once informed of the staff members departure. This had resulted in a ‘sample’ of exit interviews being completed, with typically around 25% of leavers completing. Whilst this may have been acceptable at a time of stable turnover, it did not demonstrate sufficient ownership or ability to respond effectively in a period of escalating turnover and reduced supply. The process has now changed and means that exit interviews for Nursing and HCA staff are now carried out by members of the Senior Nurse Committee. We shall extend this approach to AHP’s. Current information sets out the key reasons for leaving as follows;

**Nursing**

*Retirements* – Both Surgery and Medicine report significant increases in the number of retirements. It is difficult to quantify how much of this is driven by changes to the pension scheme. A number of Nurses have retired and accessed their pensions. A number have returned to working within our trust, however in the majority of cases they will have either reduced their hours or moved onto the ‘bank’ with a view of increasing their opportunity for flexible working.

*Flexibility* – As indicated above, a number of Nurses have cited a lack of flexibility in working patterns and the inability of the ward to grant the patterns of work that they would prefer to adopt. Work/life balance is becoming more of an issue, particularly as many staff are involved in the childcare arrangements for their grandchildren as well. This again leads to a drift towards both bank and agency work.

*Workload pressure* – More prevalent on the GOAM wards where the physicality of the work is frequently cited, compounded by staffing levels and frequent moves to other wards.

Whilst there is a strong focus on outright retention and turnover, it is also recognised that there are a number of internal movements which exacerbate the situation in areas such as GOAM. There is a very strong trend of Nurses joining GOAM wards, however moving to other wards, particularly Surgical, at the first opportunity. It should also be noted that the workforce mix has slightly changed over the past couple of years with the (moderate) influx of foreign Nurses. We had been successful in both Portugal and Spain, albeit retention of Spanish Nurses has proven more difficult as there has been a tendency to move to other larger cities in the UK. This should not be overstated however as turnover from this cohort is not significantly above the trust average.

**HCA’s**

*Further Education* – A relatively high number of HCA’s move onto to further education both within and outside of healthcare

*Workload Pressure* – Very prevalent on the GOAM wards again citing the physicality of the work and the constant turnover increases the challenge on numbers.
Flexibility – As with Nurses, a desire for more flexible work patterns increases the likelihood of moving to bank and agency work as they know they will always pick up shifts.

Pay – There is some stated discontent amongst HCA’s as to the policy of paying an additional premium on pay (3%) to offset the removal of occupational sick pay some 9 years ago.

There is some evidence of some of our Nurses and HCA’s migrating to community settings for perceived greater flexibility and manageable workloads, that may not be sustained longer term as similar turnover patterns are experienced in the community settings. Whilst pay per se isn’t frequently cited, the opportunity to earn significantly increased rates in an agency setting (thereby earning the same for a reduced number of hours) is currently attractive and offsets (for some) the additional travel required.

AHP’s – Radiographers/Physiotherapists
Promotion – A number of Radiographers have gone to neighbouring trusts to pick up a higher banded position. A similar position is reported for Physiotherapy staff who believe that in order to get to the next level they have to leave. The AfC job evaluation system was designed to remove local inequities whilst still providing local trusts with the opportunities to design local jobs. One of the potential consequences of correctly reorganising roles into the most efficient banding to deliver the service is that occasionally will lead to differentials in banding across reasonable ‘travel to work’ boundaries.

4 Potential Solutions

As the problems of retention and turnover become more acute, a number of internal groups have been considering the issues, including the Recruitment Strategy Group, the ‘Pay Issues’ Group, The Medical Division triumvirate, the Senior Nurse Committee and the Reward Strategy Group.

Whilst there are a number of actions taking place to improve the overall employee experience and we have seen our employee engagement scores increase, there is currently a particular focus on GOAM and it is vital that we attract and retain the next cohort of Nurses. With this in mind, it has been agreed that we immediately;

a. Offer graduating student nurses a premium payment to join us on GOAM wards.

b. Offer an additional payment based upon remaining in the department for a fixed period.

c. Enrol onto a specific development programme currently being developed by the Acting Assistant Director of Professional Education

To support the retention of existing staff the Reward Strategy Group are considering proposals for GOAM of a Recruitment and Retention Premium (RRP) payment, allowable under AfC terms and conditions to support challenged areas. Significant work has also been done in the last year with our HCA group to help them develop educationally, but also to give them a voice through regular forums which have included appearances by the CEO, HR and Nursing Directors. These have been well received. In addition, within Medicine, discussions are taking place with new staff (between 3-6 months after joining) to understand their overall experience and if it matched their expectations.

5. Conclusion and Recommendations

It is clear that whilst the above solutions focus primarily on pay, a broader approach is required to address the more rounded feedback about flexibility and workload pressures. A retention strategy will need to be developed, every bit as much as a recruitment strategy has
been. Whilst the understandable focus has been on Nursing, it is clear from looking at other sectors of the workforce (such as AHP’s) that they need to be included in this work.

The longer term solutions to these issues are likely to come both from staff and their line managers. To co-ordinate this, a specific short life working group will be established with core membership to contain the Directors of Nursing and HR, the Divisional Director for AHP’s and Professional Staff and the Assistant Director of Professional Education, with other members co-opted as required. The output of this forum will form the basis of future Board updates.

The Board is asked to note the issues and endorse the proposed actions.

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