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## **THE IMPACT OF HIGH TURNOVER IN HEALTH CARE ON QUALITY OF CARE AND PATIENT SATISFACTION**

High turnover in any industry can be a concern, especially those that are customer-centric. Industries that deal with people's health are in an even more precarious position. Institutions with high attrition must consider how a "revolving door" of care providers affects the quality of care an institution is able to provide, and the satisfaction of patients with their overall experience. This paper investigates this challenge and explores how this can be improved for the good of caregivers, patients and their families, and the health care industry as a whole.

### **THE PROBLEM**

High turnover in the health care industry seems to be par for the course. In fact, many health care leaders view turnover as just part of the cost of doing business. While it is monetarily costly on its own, there are other implications that need to be considered. Based on the combination of these direct and indirect costs, we argue that health care leaders must not accept turnover as a necessary evil. Rather, the industry as a whole needs to find and adopt proven methods of addressing the challenge of high turnover.

"Work force instability, as demonstrated by high rates of staff turnover and lingering vacancy rates, continues to be a major challenge facing health care organizations. The impact is manifest in workflow inefficiencies, delays in delivering patient care, and dissatisfaction among patients and staff, all of which can have significant negative effects on quality of care and patient safety. In addition, the staggering administrative costs created by a transient work force threaten health care organizations financial viability."<sup>[1]</sup>

### **The Cost of Health Care Turnover**

There are two categories of costs of turnover that we will examine: direct and indirect. Direct costs are easier to assess – they are usually expensed, billed, and

budgeted. It is easy to assign a price tag to these costs, and they are readily apparent. They range from any separation costs connected with losing an employee, to recruitment costs for finding the next, to signing bonuses, to training and orientation.

**Direct Monetary Costs[ii]**

- Separation Costs – Continued benefits, temporary labor, overtime to existing employees
- Recruitment Costs – Job description, posting on job boards, screening candidates, interviewing candidates, assessing candidates
- Onboarding Costs – Orientation and training of new hire

With a reported six weeks or longer to fill many health care jobs[iii] these costs are significant for the departments who have the vacancies and stressful for the HR and recruiting departments who experience added pressure to fill jobs ASAP, and often find themselves filling the same position multiple times in the same year.

The other type of costs – indirect costs – is difficult to measure in dollars, but is much more costly in terms of organizational impact. Some of these include:

**Indirect Costs**

- Loss of productivity
- Lack of staff while positions are being filled
- Increased pressure on existing staff to cover and pick up the extra work often leading to burnout[iv]
- Patients receiving less attention[v]
- Pressure on current staff to train and then gel with the new employees
- Lack and lag of knowledge with new employees concerning institutional practices, workplace norms, team behaviors, and patient knowledge, familiarity, and care experience

It is easy to see the adverse impact these would have on team morale, but how does this directly impact the quality of care provided and patient satisfaction?

### **Impact of High Turnover in Health Care**

Common sense tells us some of the direct negative effects of high turnover: loss of productivity and knowledge, increased workload for those of the team left while the position is not yet filled, lack of time while onboarding a new hire to train them and catch them up to speed.

A number of research initiatives have identified additional adverse implications – simply put: high turnover has a negative impact on team cohesion, care provided, and therefore patient satisfaction. The more turnover a group experiences, the harder it is to know your team, your patients, and good practice. In fact, the negative implications can range from uncomfortable to severe:

#### **Patient Satisfaction Implications:**

- For every 10% of nurses reporting job dissatisfaction, percentage of patients who recommend that hospital drops 2%[vi]
- Team Implications:
- Loss of morale[vii]
- Lower levels of workgroup cohesion and relational coordination with other Health Care providers[viii]
- Lower levels of workgroup learning[ix]
- Quality of Care Implications:
- Less time devoted to patient care[x]
- Administrative mistakes in patient care[xi]
- Complication and infection rates, errors in medication, and general length of patient stay is adversely effected[xii]
- Increased patient mortality[xiii]

As soon as patient wellbeing is involved in this balance of high turnover – as seen with mortality rates, for instance – it is obvious that action must be taken to aid the morale and productivity of the hospital team in order to ensure the best health for the patients served.

## **THE SOLUTION**

### **Evidence-Based Hiring**

The Health care industry has widely adopted the use of evidence-based medicine to determine the best treatment protocols for patients. This approach entails, “the conscientious, explicit and judicious use of current best evidence in making decisions about the care of individual patients”.[xiv][xv] More specifically, it is “the use of mathematical estimates of the risk of benefit and harm, derived from high-quality research on population samples, to inform clinical decision-making in the diagnosis, investigation or management of individual patients”[xvi].

We argue that the same approach should be adopted when making hiring decisions. By removing subjectivity from the hiring process and basing hiring decision on data gathered and analyzed to predict which applicants will provide the best outcomes if they are hired, human resources can begin to operate like its clinical counterparts, improving outcomes for both the institution and the patients it serves.

Workforce Science is an interdisciplinary field that uses empirical methodology to apply statistically evident theorems to the human aspect of management.

### **Workforce Science to Make the Right Match**

The problem with finding the best fit lies in the difficulty of sizing up a candidate based on an application, resume, interview, and references. We all bring different experiences to the table, and we all process events and information differently. Workforce science, on the other hand, brings hard data to the table. Through dynamic algorithms, we are now able to collect vast amounts of data about an applicant pool and put them through mathematical models to sift through the evidence and find the best applicants for a given job at a particular institution – think of it as panning for gold.

**Arena: Evidence-Based Hiring**

Arena is just such a system of mathematical equations developed by interdisciplinary scientists and mathematicians to find those nuggets – we sift through the sands of applications to find you the nuggets of gold – the best fit – for your job, team, and institution.

The Arena solution employs a strictly scientific approach. Arena collects, analyzes, and incorporates robust data, matching your culture and needs with the personalities and aptitudes of applicants. Arena can measure these attributes independently of judgment and hypothesis, in order to apply – and develop – models that align most closely with the everyday realities on which a prosperous and pleasant work culture depends.

Arena has long been applying Predictive Analytics and Big Data to find the right fit. Since we have been collecting so much data (Big Data) we have mathematical models that have been proven to work time and time again.

In lowering turnover at client institution by 45% - 75%, Arena looks to build team cohesion at Health care institutions, resulting in better care and patient satisfaction.

**CONCLUSION**

Patient-centric organizations have more to focus on than just the latest in technology – what really matters is quality of care for the patients. And that starts with the care providers themselves. Low employee satisfaction and team cohesion have been shown to negatively affect the care delivered, leading to serious consequences for patients. However, by lowering the attrition rate at institutions and improving the employee experience, institutions are able to increase quality of care and patient satisfaction. In an industry where decisions can mean life or death, it is imperative that we do all we can to make sure the best care is given, by the

best teams. In an industry that prizes the practice of evidence-based medicine, there is a clear need to adopt this scientific approach to hiring.

## TO SCHEDULE A DEMO

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or call us at +1 (888) 444-0693

## Endnotes:

[i] VHA's Center for Research and Innovation. HealthLeaderMedia.com. "The Business Case for Work Force Stability". December, 2012.

[ii] For a more in-depth look at Direct Cost of Turnover for Registered Nurses at a Health care institution, please see our white paper on The Direct Cost of High RN Turnover located here: <http://Arenasoftware.com/insight/white-papers>

[iii] Mullaney, Tim. McKnight's Long-Term Care News & Assisted Living. "Nurse hiring reminds difficult, hurting staff morale and patient care, survey shows". August 19th, 2013.

[iv] Trepanier, S., DNP, RN, CENP, Early, S., PhD, Ulrich, B., EdD, RN, FACHE, FAAN, & Cherry, B., MBA, RN, NEA-BC.MedScape. "New Graduate Nurse Residency Program". 2012.

[v] Mullaney, Tim. McKnight's Long-Term Care News & Assisted Living. "Nurse hiring reminds difficult, hurting staff morale and patient care, survey shows". August 19th, 2013.

[vi] McHugh, M., Kutney-Lee, A., Cimiotti, J.P., Sloane, D.M., & Aiken, L. H. NCIB National Center for Biotechnology Information, U.S. National Library of Medicine. "Nurses' Widespread Job Dissatisfaction, Burnout, And Frustration With Health Benefits Signal Problems For Patient Care". February, 2011.

[vii] Mullaney, Tim. McKnight's Long-Term Care News & Assisted Living. "Nurse hiring reminds difficult, hurting staff morale and patient care, survey shows". August 19th, 2013.

[viii] Bae, S., Mark, B., Fried, B. Relational Coordination Research Collaborative. "Impact of Nursing Unit Turnover on Patient Outcomes in Hospitals". 2009.

[ix] Bae, S., Mark, B., Fried, B. Relational Coordination Research Collaborative. "Impact of Nursing Unit Turnover on Patient Outcomes in Hospitals". 2009.

[x] Mullaney, Tim. McKnight's Long-Term Care News & Assisted Living. "Nurse hiring reminds difficult, hurting staff morale and patient care, survey shows". August 19th, 2013.

[xi] Mullaney, Tim. McKnight's Long-Term Care News & Assisted Living. "Nurse hiring reminds difficult, hurting staff morale and patient care, survey shows". August 19th, 2013.

[xii] Chiu YL, Chung RG, Wu CS, Ho CH. MedScape. "The Effects of Job Demands, Control, and Social Support on Hospital Clinical Nurses' Intention to Turn Over". 2009.

[xiii] Joint Commission. "Health Care at the Cross Roads: Strategies for Addressing the Evolving Nursing Crisis". Accessed October 2013.

[xiv] Sackett, D.L., Rosenberg, W.M., Gray, J.A., Haynes, R.B., & Richardson, W.S. BMJ Group. "Evidence based medicine; what it is and what it isn't". January 13th, 1996.

[xv] Timmermans, Stefan & Mauck, Aaron. Health Affairs. "The Promises And Pitfalls of Evidence-Based Medicine". January 2005.

[xvi] Greenhalgh, Trisha. How To Read a Paper: The Basics of Evidence-Based Medicine. Wiley-Blackwell, fourth edition. 2010.

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