



ARTICLE

Proactive Strategies for Nursing Staffing Challenges

Delivering Against Demand—Part 1

Covid-19 has drastically reshaped the healthcare landscape and presented unprecedented challenges to hospital executives. Reduction (or even cessation) of elective procedures, although temporary, has aggravated the financial pressure on many organizations. While coping with the increased demand for care due to the pandemic, hospitals are ramping up their capacity for procedural services to accommodate the backlog dating back to last year and the current wave of delta-variant cases. All these efforts require more resources and, in particular, more nurses.

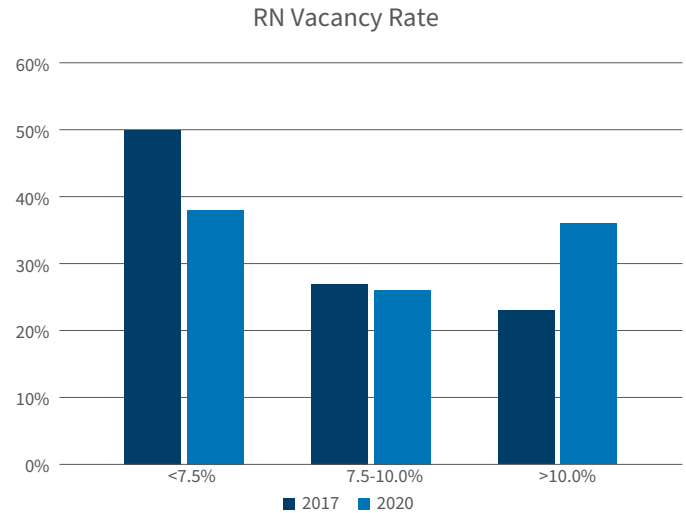
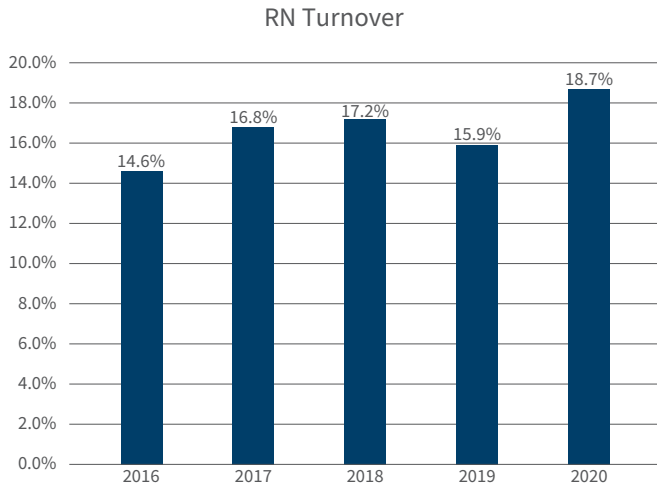
However, the nursing shortages, which have been reported throughout several regions of the United States, have hindered the recovery efforts. The national registered nurse (RN) vacancy rate reached 9.9% in 2020, and more than one-third of hospitals have vacancy rates exceeding 10.0%.¹ To meet the climbing staffing needs, institutions have been seeking help from supplemental staffing agencies. Travel nurse rates have increased substantially beyond the historical 25%-50% premium. Pay packages of \$10,000 per week and \$100,000 for a 13-week assignment have been reported.²

Reducing reliance on temporary labor and creating “stickiness” with their staff nurses has become a top priority for senior executives of many organizations. In this article, FTI Consulting highlights a range of workforce management strategies to lessen, or even eliminate, current staffing constraints, as well as increase nurse retention.

¹ 2021 NSI National Health Care Retention & RN Staffing Report. NSI Nursing Solutions; March 2021. https://www.nsinursingsolutions.com/Documents/Library/NSI_National_Health_Care_Retention_Report.pdf

² Walker, Angelina. “What Does a Travel Nurse Do?” Nurse.org; April 16, 2020. <https://nurse.org/articles/how-to-make-the-most-money-as-a-travel-nurse/>

Rising RN turnover and vacancy rate driven by relocation, career advancement, retirement, personal reasons and other factors.³



Defining the current state is an imperative

Initially, it is necessary to build solid foundation in understanding the current state and staffing challenges. The Magnet and Press-Ganey employee surveys can help establish a general framework and detect some focus areas that require a deeper dive.^{3,4} Selective group discussions and employee interviews can disclose underlying issues and provide insights for improvement. What has caused staff dissatisfaction? How effective is the current incentive program? What else can the administration do to recognize seniority and encourage loyalty?

While first-hand qualitative feedback is important, many organizations have employed quantitative productivity benchmarking tools, e.g. Vizient ActionOI, to impartially evaluate operational and staffing efficiency on a continuous basis. However, historical approaches to assessments have been anchored to staff benchmarks and ratios that no longer have direct comparability, given that most benchmarking

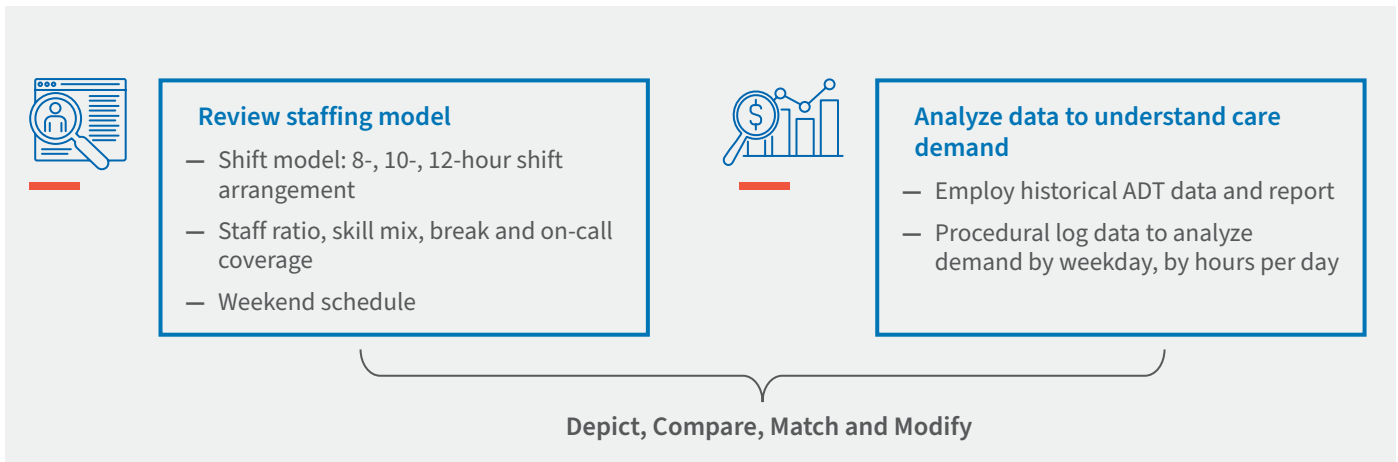
sources can be six to nine months old, and current staffing shortages related to the pandemic have only become a reality within the past year. The benchmarking data sources can only tell half the story.

A different approach is needed to accurately quantify opportunities for change. A comprehensive staffing-to-demand assessment, which requires special attention and review of patient placement data, nursing unit acuity and nursing job responsibilities, may be the answer. Quantifying these advanced data points and highlighting process gaps in this way can be a challenge, but it provides better direction for change. Further thorough staffing-to-demand analysis helps management rule out any misperception of staffing shortage due to the misalignment between staffing requirements and the current operation model. For instance, a surgical service which opens the most staffed rooms on Tuesdays but has the highest average daily volume and case hours on Fridays will constantly feel short of staff on Fridays. The byproduct of the analysis is the insight in staffing model adjustment.

³ American Nursing Credentialing Center. Facts About the Magnet Recognition Program. <https://www.nursingworld.org/globalassets/organizational-programs/magnet/magnet-factsheet.pdf>

⁴ Employee Experience: Improve employee engagement and reduce turnover with real-time feedback from employees, nurses, and physicians. <https://www.pressganey.com/products/employee-experience>

Highlights of Staffing-to-Demand Analysis



Source: FTI Consulting

Tackling the Challenges in a Strategic Manner

In addition to adjusting staffing models to match the demand for care, near-term tactics are usually focused on Paid Time Off (PTO) and the short-term incentive program to solve temporary staffing shortages. Institutions have restructured their PTO plan from “use it or lose it” to “roll-over and cash-out” to encourage attendance. Some management teams have offered monthly tokens of appreciation, such as gift cards, free parking and commuting reimbursement, to employees who have not called out for the past month. Seemingly insignificant actions have achieved significant results on many occasions.

Incremental financial incentives, such as sign-on bonuses and referral bonuses, can accelerate the recruitment of new employees. However, the advantages of the one-time enticement have been questioned. Some chronic sign-on bonus collectors jump to the next employer as soon as they fulfill their commitment. The impact on the departmental culture and the bitterness of veteran employees will take much longer to digest.

Employee retention should be top-of-mind for any healthcare organization, especially when the pandemic has exponentially increased uncertainty in care demand and, thus, staffing requirements. The cost of losing experienced workers is significant. NSI Nursing Solutions estimates that the cost of turnover for a bedside RN ranges from \$28,400 to \$51,700; the average is \$40,038.⁵ The turnover cost for specialty nurses, given the extended training, orientation and recruitment cycle, drastically escalates. The intangible losses in terms of interview time, knowledge, productivity and cultural impact take much more effort to regain.

To achieve a sustainable result, many healthcare systems have experimented with various education, career development and long-term incentive programs to attract and retain nurses. Below, FTI Consulting has compiled a list of strategies and programs that have proven to deliver lasting benefits:

⁵ 2021 NSI National Health Care Retention & RN Staffing Report. NSI Nursing Solutions; March 2021. https://www.nsinursingsolutions.com/Documents/Library/NSI_National_Health_Care_Retention_Report.pdf

Be Strategic During Recruitment

- Engage from the First Touch – A seamless interview process with clear directions can help HR teams at healthcare organizations make a great first impression
- Set and Meet a Hiring Standard – Ensuring alignment of values between an organization and a nursing candidate promotes solidarity from the very beginning

Make Career Development a Top Priority

- Accelerate clinical advancement program, e.g.. thoughtfully designed clinical ladders: staff nurse, clinical specialist of multiple levels, service line coordinator, RNFA
- Recognize high-performing nurses – A quick and informal celebration or mention during a huddle at the beginning of each shift can reiterate a nurse's value
- Promote dedication – Celebrate work anniversaries and provide monetary reward, e.g. well-designed retention bonus to award nurses when they reach employment milestones, 2-year, 5-year, 10-year etc.

Promote a Culture of Learning

- Strengthen Nurse Residency Program – Build the educational scaffolding required to progress a nurse's knowledge, skills, attitudes and critical thinking
- Enhance Preceptor Program to foster new connections and a healthy, collaborative culture
- Provide education reimbursement and tuition loan forgiveness program
- Align career advancement with compensation, e.g., CNOR certification leads to pay raise

Increase Flexibility in Work Schedule

- Implement a shared governance approach, allowing nurses to sign up for their shifts as opposed to being assigned a set schedule
- Nurses feel more empowered and trusted in their careers
- Provide additional incentives to encourage dedication
- Nurses earn points for each extra shift they work and can redeem those points for rewards that actually matter to them
- Unpopular shifts offer more points and incentives

Establish an Enterprise Flexible Resource Pool

- An option for large healthcare systems with multiple facilities within the same market
- A strategic and flexible source of staff that fills needs across the enterprise in line with emerging demand

Form Practice Council for Specialty and Procedural Services

- Promote collaborative working environment
- Provide communication platforms with other clinicians and functional group

Creative value-added programs have been explored to reinforce “stickiness” to the organization. For example, a health system in Florida has stepped in to help first-time home buyers with their down payment in exchange for a five-year commitment to remain at the system. A hospital in upstate New York has established a lodging convenience program to offer dormitory rooms free of charge to long-distance commuters. A multi-facility health system in central Pennsylvania has offered financial support in higher education for children of employees to strengthen the attachment of two generations at once. In today's healthcare job market, employers' creativity can be invaluable.

FTI Solutions experts can evaluate staffing challenges, benchmark productivity opportunities, and facilitate development and execution of the workforce management strategic plan. The FTI Consulting team is composed of former hospital executives, clinical operations experts and business analytics specialists.

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