2022 Healthcare Workforce Trends: Start Here

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It sounds trite to tell Healthcare HR professionals that 2021 was another challenging year for attracting and maintaining staff. The healthcare sector already was a driver of job growth in the economy. This was not only due to advances in healthcare delivery, but the huge number of baby boomers reaching the age of high healthcare utilization.

The baby boomer generation not only makes up the bulk of the healthcare consumers but it also includes many of our healthcare professionals now reaching retirement age.

On top of that challenge, we add the stress, burnout, and increased workload resulting from the Covid-19 pandemic. So much for the long-range recruitment/retention plans developed previously.

It is important for high-performance HR departments to be ahead of the curve on retention and recruitment strategies. HR should be a master of the information and leading the organization in the development of effective strategies to (1) retain the current staff and (2) recruit new staff as cost-effectively as possible.

In order to effectively plan it is imperative that we understand what is really occurring in the healthcare labor market. One of the most helpful reports is the ***2021 NSI National Health Care Retention & RN Staffi*ng Report**. It is published by NSI Nursing Solutions Inc. who invited over 3000 hospitals to participate in the survey and provides a fascinating look into healthcare labor trends.

Retention/Recruitment Data

I have linked to the entire article, but here are some of the highlights. You may want to compare your own organization's performance against the benchmark data.

- 37.4% of hospitals were looking to increase labor force. This is a reduction of 16.0% from 2020.
- Hospital turnover currently stands at 19.5% and is an increase of 1.7% over previous year.
- The 2020 turnover rate for RNs is 18.7% ,which is a 2.8% increase over the previous year.
- The average cost for turnover of a bedside RN is $40,038. The average hospital lost between $ to $ a year.
- Each % change in RN turnover will cost/save the average hospital over $270,000 annually.
- Average hospital has 9.9% RN vacancy rate.
- Hospitals are covering these vacancies through supplemental staffing (agency/travel RNs).
- For every 20 travel nurse positions eliminated, the average hospital can save over $3m annually.
- Voluntary resignations account for 93.9% of all separations. The top 3 reasons for leaving are career advancement, relocation and retirement.
- Advance practice and allied health have turnover rates below the hospital average.
- PCT and CNA positions (Patient Care Tech and Certified Nursing Assistant) positions have turnover rates around 27%. Every four years the staff is virtually replaced.
- Employees with less than 1 year of service account for 83% of the average hospital's turnover.
- 23.9% of all new RNs leave within the first year.
- Although it differs by specialty, the average time it takes to fill an RN position is 89 days.

I am not sure if I was reading a blog and saw this list that I would take the time to read it but there is some revealing and helpful information. Other than being informative, how can this information be used at your organization?

I am glad you asked!

Lead don't follow

HR needs to be master of recruitment and retention plans and strategies. HR

should be first to understand the data and first to lead organizational efforts to address the needs. If you are waiting for someone in the C suite to bring the data to you with their concerns, you are already too late. It shows HR as a reactive function.

The workforce should be HR's concern and the effective HR department will be proactively addressing recruitment and retention issues.

Know your workforce data

First, I would understand how my own organization compares to the data above. Specifically I would obtain the following information:

- Organizational turnover.
- Turnover by key position.
- Cost of turnover for key positions.
- Vacancy rates for key positions – RN, CNA, allied professionals,
- Days to fill for key positions.
- How vacancies currently filled.
- Reasons for voluntary separations.
- Terminations by length of service

Develop a people plan

Second, with that information in hand, HR drive the development of effective people plans. Effective people plans are driven by the data and in the strategies that will be used to attract, maintain, and develop the workforce. The information above will help HR and the appropriate department directors to develop concrete actions to impact organizational performance.

The first emphasis should be on retaining current staff. All the issues of recruitment disappear if the vacancy never occurs. Based upon the data, a retention plan should focus on critical positions.

RN turnover should be a priority, These positions are costly to fill with supplemental staff when vacant and experience extended time to fill with permanent staff.

The plan should include discovering the reasons for voluntary terminations. Are they retiring? If so, can a plan be developed to utilize them PT, with reduced shifts, or in contingency pools?

Are they leaving in the first year because of better opportunities elsewhere? If so, can better career advancement plans be developed? Can "at risk" RNs be identified and early interventions occur?

How about first year voluntary terminations? Is it an issue of better opportunities elsewhere or is there a poor cultural fit? If so, perhaps better assessment and onboarding is needed. On of the biggest factors in retention is relationships with manager and coworkers. Is there a way to foster earlier and stronger relationship building?

If CNA and PCT positions have high turnover, what are the reasons? What plans can be developed to minimize the negatives? What positives can be developed? (Many of the people in these positions are interested in career advancements but pay is low. How about considering paying education costs upfront rather than reimbursing the employee? That is something one organization did with great success.)

Finally, strategies should be developed to eliminate agency or travel nurse staffing. Many times, employees go to agencies for higher pay and then return to work consistently at previous employer. There are ways to minimize or eliminate agency/traveler usage. It may include inhouse contingency pools, pay/hour flexibility, etc.

Collaborate

Of course none of this is done in vacuum by HR. Nursing retention/recruitment strategies should be developed in cooperation with nursing leadership. The same with every other profession. Development of an effective people plan is a collaborative effort.

My concern is that HR is often not driving the effort. It is often the department developing a retention plan and then presenting it to HR.

HR wants a 'place at the table". It can start by showing mastery of the workforce

data and leading by developing plans to react to what the data is telling the organization.