The impact of turnover and the benefit of stability in the nursing workforce
The Impact of Turnover and the Benefit of Stability in the Nursing Workforce

Developed by Andrea Baumann, RN, PhD

for the International Centre for Human Resources in Nursing

International Council of Nurses

Florence Nightingale
International Foundation
# Table of Contents

Acknowledgements 4

About the Author 4

Executive Summary 5

**Introduction** 7

What is “turnover?” 7

**Chapter 1: The Impact of Turnover** 9

1.1 The financial impact of turnover 10

**Chapter 2: Measuring Turnover** 11

2.1 Why calculate turnover 11

2.2 Measurement tools and methods 11

2.3 Calculating turnover costs 13

**Chapter 3: Factors Influencing Turnover and Stability** 15

3.1 Practice environments 16

**Chapter 4: Reducing Turnover: Responses and Strategies** 19

4.1 Policy development 19

4.2 Effective workforce planning 19

4.3 Investing in the workforce 21

Conclusions 23

References 25
Acknowledgements

The author would like to thank the following former and current members of the International Centre for Human Resources in Nursing Strategic Advisory Group for their generous assistance in the provision of international references and relevant source material:

Dr Eric Buch, University of Pretoria
Dr Gilles Dussault, Instituto de Higiene e Medicina Tropical, Portugal
Josie Irwin, Royal College of Nursing
Silvina Malvarez, Pan American Health Organization
Dr Francis Omaswa, Global Health Workforce Alliance (former member)
Judith Oulton, International Council of Nurses (former member)
Dr Wichit Srisuphan, Thai Nursing Council
Pelanetete Stowers, Ministry of Health Samoa
Dr Jean Yan, World Health Organization
Dr Pascal Zurn, World Health Organization

About the Author

Andrea Baumann is the Associate Vice President, Faculty of Health Sciences International and the Co-Director of the Nursing Health Services Research Unit, McMaster University, Canada. She has been with the School of Nursing since 1988 and served as the Associate Dean, Health Sciences (Nursing) from 1990 to 2004. Andrea has a Bachelor of Science in Nursing from the University of Windsor, a Master of Science in Nursing from the University of Western Ontario, and a Doctor of Philosophy from the University of Toronto. Her primary areas of interest are in clinical decision making, health human resources and international health. Presently, Andrea is the Director of the Collaborating Centre in Primary Health Care and Nursing Education as well as the Coordinator of Pan American Collaborating Centres for the World Health Organization.

1 Dr. Zurn was on secondment to the Organisation for Economic Cooperation and Development (OECD) during the period that this paper was prepared.
Executive Summary

The purpose of this paper is to review, summarize and synthesize the literature on the impact of nurse turnover and highlight the benefits of workforce stability. Definitions relevant to the concept of turnover are provided. The cost of turnover and turnover issues are examined in relation to the existing literature and with an international lens. The importance of the relationship between reduced turnover and an understanding of the nursing workforce is highlighted. Likewise, the close association between employment stability, workforce stability, retention and the concept of turnover is emphasized.

There have been a range of research studies on the organisational costs of nurse turnover, and some have looked at the links between employee turnover rates and the effect on care. More recently, the focus of human resource research has shifted to examining the costs of turnover and benefits of achieving greater stability in the workforce.

Various factors have impacted the supply of health care workers and exacerbated existing shortages at the local, national and international level. Research studies have examined the organisational cost of nurse turnover and the link between employee turnover rates and quality of care. However, there are several aligned concepts that also require investigation. Human resource research has recently focused on the benefits of achieving greater workforce stability. Related studies have used different methods and approaches in response to the variable working conditions and supply of nurses worldwide.

A seven-point framework focusing on critical elements pertaining to turnover is provided, as well as some existing measurement tools and their corresponding web sites. These are intended to increase understanding of turnover, help measure and cost turnover, and make the case for retention strategies. The information in this paper is designed to clarify the meaning of turnover and provide an overview for nurse managers and others responsible for measuring and costing turnover by enabling them to assess the impact of nurses leaving the organisation.

The paper highlights the close alignment between turnover, employment stability, workforce stability and the concept of retention. Although the actual costs of turnover vary from country to country and setting to setting, studies emphasize the need for immediate action to stabilize health workforces and facilitate achievement of the Millennium Development Goals. A greater understanding of the causes and effects of turnover are essential for the creation and establishment of country-specific health human resource strategies.
Introduction

The information in this paper provides an overview of turnover literature. It is intended to help nurse managers and others responsible for costing turnover assess the impact of nurses leaving the organisation (be it a unit, clinic, primary care service or hospital) and make the case for retention strategies. The paper reviews, summarizes and synthesizes evidence about turnover. Topics include the effect and causes of turnover, factors that influence turnover and the costs of turnover. Additional perspectives (e.g. the human capital approach) are discussed and recommendations for reducing turnover are made.

Turnover has a profound impact on health care organisations in terms of associated costs (both direct and indirect), perceptions of quality of care and heightened pressure on nurses to work in an increasingly fractured and dissatisfactory environment. Thus, it is not surprising that workforce stability has become one of the pre-eminent concerns of the 21st century.

What is “turnover”?

Definitions of turnover vary (Tai et al. 1998). Hayes et al. (2006) found that some studies defined turnover as any job move, while others define it as the proportion of the population that leaves an organisation in a given year (Flint & Webster 2007). Most authors agree that turnover is related to the number of people changing jobs within an organisation or leaving an organisation within a given year (LaBare 2007). The term refers to both internal and external movement in organisations or settings such as clinics.

People tend to think of turnover as external to the organisation, but internal turnover can be an equal or greater challenge depending on the size of the organisation. It is, therefore, important to clarify the differences between the two types of turnover. \textit{External turnover} is usually a numerical value attached to the number of people who leave an organisation for various reasons. For example, unpaid leave, maternity leave and educational leave, retiring from the workforce, or leaving for employment elsewhere. In addition, some studies have shown that nurses may leave not only the organisation but also the profession (Alameddine et al. 2006a, 2006b; Hasselhorn et al. 2005). Conversely, \textit{internal turnover} refers to job changes within an organisation.
Definitions

The following definitions are related to the concept of turnover and are useful for increasing understanding of the concept:

**Absenteeism**  
Lack of physical presence at a given setting and time where there is a social expectation to be there (McGillis Hall 2004).

**External turnover**  
Usually a numerical value attached to the number of people who leave an organisation for various reasons.

**Indirect costs**  
Are “not directly related to the production of a specific good or service but . . . [are] indirectly related to various goods or services” ([http://financial-dictionary.thefreedictionary.com/Indirect+Cost](http://financial-dictionary.thefreedictionary.com/Indirect+Cost)). Include the time and money required to administer an organization and all the associated responsibilities (e.g. hiring and training of new employees).

**Internal turnover**  
Refers to job changes within an organisation.

**Job turnover**  
The net change in employment between two points in time – the total number of jobs created less the number of jobs which have disappeared (OECD 1996).

**Labour turnover**  
The sum of job turnover, which relates to the expansion and contraction of establishments or firms, and the movement of workers into and out of ongoing jobs in establishments or firms. Workers leave firms and firms hire other workers to replace them, regardless of whether the firm itself is growing or declining (OECD 1996).

**Stability index**  
Refers to the total length of service of all present employees at a given time as a proportion of the maximum total stability (Riley 2000).

**Stability rate**  
The percentage of staff who have been employed in the facility (organization, unit, etc.) for at least one year (Remsburg et al. 1999).

**Turnover rate**  
The sum of net employment changes…expressed as a percentage of total employment (OECD 1996).

**Vacancy**  
A numerical value of vacant positions derived from the difference between total approved budgeted hours (TABHs) and total actual worked hours (TAWHs) converted to FTE (full-time equivalent) vacancies (Baumann, Fisher et al. 2003, p. 3). Vacancies are usually quantified as a proportion of all positions and reported as a *vacancy rate* (Meltz & Marzetti 1988).
Chapter 1: The Impact of Turnover

It is difficult to talk about turnover without considering the impact and multifactorial consequences. The cost of high turnover in the health workforce is a critical issue for nurse managers worldwide. Various studies have examined the organisational costs of nurse turnover and the link between turnover rates and the effect on care. However, it is important to note that the perspective one takes is contextual. For example, Waldman et al. (2004, p. 2) found that “the recurring expense created by turnover offers opportunities to improve employee satisfaction, reduce turnover, improve quality, and cut costs by diverting the current financial drain into programs and policies to encourage retention.”

In a more recent review, Bland Jones and Gates (2007) focussed on benefits of turnover, such as the generation of ideas by new employees, salary savings and elimination of staff that may have performance problems. Hasselhorn et al. (2005, p. 3) postulated that “departure from the [nursing] profession might . . . be advantageous for certain individuals, e.g. for those with severe health complaints or for those who wish to further their careers in other directions.”

The Chartered Institute of Personnel and Development (CIPD 2010) also notes that “some employee turnover positively benefits organisations.” However, it cautions that “where skills are relatively scarce, where recruitment is costly or where it takes several weeks to fill a vacancy, turnover is likely to be problematic.” This is definitely the case in countries where there are severe shortages of health care resources. In Africa, for example, the “preventable exit of professionals from the workforce is a major wastage” (Dovlo 2005), and it is generally agreed that every effort must be made to retain highly skilled workers.

It is important to recognise that the consequences of turnover are not only financial (Bae et al. 2008; Grant & Swanson 2006). It affects “the satisfaction and safety of nurses and other clinicians, the satisfaction and retention of health care customers and customer perceptions of quality of care” (Bland Jones 2004, p. 562). There is also evidence that nursing staff to patient ratios are directly related to incidence of medication errors, wound infections, increased mortality and turnover (Aiken et al. 2002; Aiken et al. 2010; McGillis Hall et al. 2004).

In some areas of the world, the turnover situation has reached crisis level (Yumkella 2005). In sub-Saharan Africa, nurse migration has had a negative effect on both nursing practice and the

---

2 Dovlo (2005) uses wastage “to refer to the loss in utility of health workers/health professionals due to attrition or poor productivity that can be prevented or managed and that is over and above what is expected in normal work situations.”
education of health professionals (Dovlo 2004, 2007). The excerpt below emphasizes the high rate of external turnover and highlights the actual number of nurses who have left one health service over the course of a year.

There are only four doctors working for Scott Hospital [in Lesotho, South Africa] – less than two per 100,000 people. As of May 2007, not a single one of the 14 health centres has the minimum staffing complement. In 2006, more than 25 nurses left the Health Service Area for other jobs and as of May 2007, 54% of professional nursing posts at health centres were vacant. This left trained nursing assistants, who receive just two years of training, to carry much of the burden of clinical work (MSF 2007, p. 11).

1.1 The financial impact of turnover

Because of the lack of consistent definitions and measurement, it has been a challenge to study the economic impact of nurse turnover (O’Brien Pallas et al. 2006, p. 171). Much of the work on turnover to date has been conducted in the United Kingdom, the United States and Canada and focuses on the acute care sector. Waldman et al. note that “because huge variability in specific turnover in cost elements exists, meaningful comparison may be tenuous” (2004, p. 3). Nonetheless, some sources outside of nursing have argued “that a 10% reduction in employee turnover was worth more money than a 10% increase in productivity” (Blake 2006).

In terms of cost per person, turnover can cost an organisation “30-50% of the annual salary of entry-level employees, 150% of middle level employees, and up to 400% for specialized, high level employees” (Blake 2006). Recent studies have reported the cost from about US$ 22,000 to US$ 64,000 per nurse turnover (Bland Jones & Gates 2007).

Many employers have difficulty estimating the true cost of nurse turnover because the necessary data is neither comprehensive nor readily available. For example, in the United States, “the estimated cost of nurse turnover is nearly US$ 9.4 million [nationwide, but] this estimate is conservative and does not include lost productivity” (Enrado 2009). In Canada, the estimated cost is approximately “$25,000 per nurse” (CNA 2009), but this figure does not include other issues that have economic implications, e.g. loss of knowledge.

Bland Jones (2004, 2005, 2008) has made a substantial contribution to understanding costs, cost benefits, turnover and retention, and the relationship to human capital. Her recent work provides a methodology that estimates costs when primary data is not available. Although the focus is on North America, she presents a clear and concise outline of the issues and quantifies the costs in acute care hospitals. In following her lead, other areas of practice can be examined and calculations performed for different environments and geographic areas.

---

3 Canadian dollars
Chapter 2: Measuring Turnover

2.1 Why calculate turnover?
It is valuable to calculate turnover on a regular basis because the results can be used to plan how many people may be needed for replacement or to assess organisational health. For example, turnover that is high over time or significantly higher in one unit indicates the inability of the organisation to retain staff overall or in certain areas of the organisation.

Another term that is often used in conjunction with turnover is vacancy. Indeed, it is not unusual to talk about vacancies as if they were synonymous with turnover. However, vacancy differs from turnover rate. Vacancy is defined as “a numerical value of vacant positions derived from the difference between budgeted and worked hours converted to FTE [full-time equivalent] vacancies” (Baumann, Fisher et al. 2003, p. 1). Vacancies are usually quantified as a proportion of all positions and reported as a vacancy rate (Meltz & Marzetti 1988). For example, a Nursing Shortage Fact Sheet from the American Association of Colleges of Nursing (AACN 2010) indicates “a national RN vacancy rate of 8.1%” in the United States.

Most organisations use turnover rate and vacancy rate to provide a background for recruitment and retention efforts. In the nursing workforce, retention strategies have traditionally been used to maintain an appropriate supply of nursing personnel to meet the health needs of a given population (Baumann, Yan et al. 2006). To this end, retention rate is another measurement that can be used to facilitate “the determination of turnover . . . . The combination of retention rate and turnover offers a more complete view of worker movement than either does alone” (Deane Waldman & Arora 2004). Retention rate is generally calculated using a stability index. The standard formula is as follows (CIPD 2010):

\[
\frac{\text{Number of leavers with more than one year’s service}}{\text{Total number of staff in post one year ago}} \times 100
\]

2.2 Measurement tools and methods
Measurement of turnover rate can be expressed as an absolute number, a rate, a ratio or a proportion of employees in the total organisation. Turnover rate is “the sum of net employment changes . . . expressed as a percentage of total employment” (OECD 1996). It excludes “job vacancies which remain unfilled and jobs that begin and end over the interval of observation, which is most often one year” (OECD 1996). The number of staff exits from an organisation contributes to the rate of turnover.

The Cincinnati Children’s Hospital Medical Center (CCHMC), calculates turnover rate as “the annualized number of nurses per 100 who voluntarily or involuntarily leave (terminate) CCHMC” (La Bare 2007). The organisation uses the formula provided below:
Overall turnover estimates vary from country to country, and available statistics are limited to a few countries. Many countries do not publish turnover rates for nurses, although some statistics can be found in grey literature such as newspapers, organisational documents, world health reports, and local Ministry of Health documents. For example, in its Nursing Shortage Fact Sheet (2008), the AACN states that the “average nurse turnover rate in hospitals was 8.4%” in 2007. A report from the Review Body for Nursing and Other Health Professions (2006.) in the United Kingdom indicates that “the turnover rate in England…was around 10 per cent” in 2006. A commentary from the President of the Canadian National Union of Public and General Employees states that the “annual turnover rate among direct care nursing home staff typically runs at 20% for nurses” (Clancy 2008).

Chronic and substantial turnover leading to shortages such as those in the Chiradzulu district in the Southern Region of Malawi are receiving attention at the national level (GHWA 2008). An MSF report from 2007 shows a 50% turnover in staff over a one-year period, from 50 nurses in 2006 to 28 nurses in 2007. In situations of this kind, the discussion of turnover becomes critical because there are few resources for recruitment and an inadequate supply of replacement staff.

To a certain extent, how to measure turnover and the eventual cost is organisation-specific, but work is being done to standardize the approach to measurement. Because there is a lack of commonly agreed upon definitions and indicators, organisations develop lexicons that suit their individual environment. However, there has to be cooperation at the national, local and organisational level to retain a well-trained workforce.

Below is a list of some of the current tools available for measuring turnover. They are intended to help nurse managers and others responsible for costing turnover assess the impact of nurses leaving the organisation (be it a unit, clinic, primary care service or hospital).

\[
\frac{T}{\frac{AS}{2}} \times 4 \text{ quarters}
\]

Where:

T = Number of nurses who left CCHMC (terminations) during the quarter

AS = Average staff level for the quarter = (beginning nurses + ending nurses)/2
**Table 1: Tools for Calculating Turnover: some examples**

<table>
<thead>
<tr>
<th>Tool Name</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quorum Health Resources Nursing Turnover Calculator Smart Tool</td>
<td><a href="http://www.qhr.com/smart_tools/nursing_turnover_calculator_smart_tool/">www.qhr.com/smart_tools/nursing_turnover_calculator_smart_tool/</a></td>
</tr>
<tr>
<td>Chally Employee Turnover Cost Calculator</td>
<td><a href="http://www.chally.com/turnover_cost_calculator.htm">www.chally.com/turnover_cost_calculator.htm</a></td>
</tr>
<tr>
<td>Insightlink Communications Return on Investment Calculator</td>
<td><a href="http://www.insightlink.com/employee_turnover_costs.cfm">www.insightlink.com/employee_turnover_costs.cfm</a></td>
</tr>
<tr>
<td>Cincinnati Children’s Hospital Medical Center - Operational Definition Measurement: Nursing Turnover Rate</td>
<td><a href="http://www.cincinnatichildrens.org/assets/0/78/1055/1059/123ffcca-7e00-40f5-a28b-4158b5c1a542.pdf">www.cincinnatichildrens.org/assets/0/78/1055/1059/123ffcca-7e00-40f5-a28b-4158b5c1a542.pdf</a></td>
</tr>
</tbody>
</table>

2.3 Calculating turnover costs

Bland Jones (2004, p. 567) used the Nursing Turnover Cost Calculation Methodology (NTCCM) “to calculate the costs of nurse turnover by identifying the major cost components of replacing nurses who leave and estimating total and per-RN turnover costs.” In the updated version of the NTCCM, two broad categories and seven subcategories are used to tabulate the turnover process and summarize the financial costs. These categories are helpful in illustrating the cycle from hiring to termination in relation to registered nurses (RNs) and highlighting areas to consider.  

1. Pre-hire costs incurred during the recruitment and hiring of RNs to fill RN turnover vacancy:

   - Advertising and recruiting - Costs associated with attracting new RNs to fill vacancies caused by prior RN turnover (e.g. job fairs);

---

4 Information on the categories is from Bland Jones (2004).
• Vacancy - Costs incurred while attempting to fill open positions that result from RN turnover and staff shortages (e.g. temporary use of agency RNs);
• Hiring - Costs incurred once a prospective RN employee enters the interview process or has accepted a position within a health care organisation to fill a RN turnover vacancy.

2. Post-hire costs incurred after new RNs are employed to fill RN turnover vacancies:
• Orientation and training - Costs incurred while familiarizing new RNs with policies and procedures to prepare them to fill RN vacancies;
• Decreased new RN productivity - Costs incurred during the time required by new RNs to become 90% as productive as seasoned RNs and assume a patient care assignment expected of RN staff;
• Decreased pre-turnover productivity - Costs incurred upon the departure of an RN employee;
• Termination.

Various approaches have been developed to quantify the financial implications of turnover for revenue, orientation, recruitment and additional costs, for example, the Nursing Turnover Calculator Smart Tools developed by QHR (2006) to help organisations “quantify the cost of nursing turnover/shortages [and] . . . evaluate the impact of lost revenue.” In addition, Blake (2006) provides an extensive checklist of items that need to be considered when estimating the costs associated with turnover (e.g. new employee orientation and compensation during training). Thus, it is possible to cost out individual items in order to calculate the overall cost to the organisation. In some cases, it may be obvious due to brain drain (Baumann & Blythe 2003). In other cases, however, the costs are more subtle but still impact on the continuity of care and existing team structures.
In their review of theoretical models of nurse turnover, Hayes et al. (2006) found a number of variables related to turnover such as job satisfaction, job stress and intention to leave, control over decisions and organisational commitment. Mano-Negrin and Kirschenbaum (1999) found various push-pull factors also have an impact on turnover. Push factors drive people away from a specific place, while pull factors attract people to a new location (Rosenberg 2009). Pull factors include better remuneration and working conditions (Muula 2005); push factors include the toll of diseases such as HIV/AIDS, inadequate staffing levels, poor employee support, and challenging workloads (ICN 2006a).

Hayes et al. (2006) reviewed job satisfaction and nurse turnover as well as associated organisational and workload factors. However, rather than focus on the determinants of turnover, planners tend to focus on cost-benefits analysis. This involves the assessment of “resource expenditures relative to possible…benefit[s]” to the organisation (Grant & Swanson 2006). Yet once these calculations are performed, other key concerns emerge that merit attention. For example, increased pressure on “employed nurses…to work overtime to fill vacancies” stemming from turnover (Bland Jones 2004, p. 562).

Health care systems and specific facilities where there is minimal investment in health care have serious issues with turnover, working conditions and remuneration. Pay may be poor or non-existent, with nurses having little voice to change the conditions of care. As a result, they often leave the organisation, the country and/or the profession. Consequently, there is a loss of the initial investment in nursing education, coupled with continuous high turnover.

Workforce dissatisfaction and insecurity affects turnover and varies from country to country, but this is not a new phenomenon and is well documented in the literature on globalisation (Genda 2005; Zeytinoglu 1999). The Next-Study examined the “reasons, circumstances and consequences surrounding premature departure from the nursing profession” in 10 European countries (Hasselhorn et al. 2005, p. 2). The study showed that nurses’ intent to leave or thoughts about leaving ranged from 12% to 21% across the countries. In Canada, there are generational issues due to younger nurses having the most mobility. In a recent Canadian study, it was found that this younger generation requires special intervention at both the organisational and national level to retain them because the turnover rate is highest in the first five years (Baumann, Hunsberger et al. 2008; Lavoie-Tremblay et al. 2008).

Studies have also been conducted in an effort to identify the most important elements in retention and employment stability, which is the reverse of turnover. Overall quality of working life is an important issue that influences turnover and is crucial for retention and subsequent low turnover (Alameddine et al. 2006a, 2006b; Baumann, O’Brien Pallas et al. 2001). There are many variables to be considered in quality of work life. A survey of 9000 nurses in the United Kingdom (59%
response rate), for example, indicated that pay and stress influenced intent to leave (Ball & Pike 2007).

While these issues are universal in some respects, there are specific issues unique to the developing world. A report by MSF (2007, p. 3) summarizes the factors contributing to nursing turnover in South Africa:

- Inadequate salaries and poor working conditions, which lead to brain drain, attrition, and an inability to attract new health workers.
- National policy barriers that block the possibility to shift tasks to lower level health staff.
- Lack of adequate national and international resources committed to address the health care worker crisis.
- Lack of donor funding for recurrent human resource costs, particularly salaries, due to concerns about “sustainability” and other constraints.
- Limits on spending from ministries of finance and international finance institutions, which can hinder governments’ ability to invest adequately in the health workforce.

The impact of turnover becomes far more serious when there is a shortage of qualified personnel and the health needs of the population surpass the capacity of health human resources. In the Thyolo district in the Southern Region of Malawi, for example, “a single medical assistant can see up to 200 patients per day” (MSF 2007, p. 2). In Mozambique, the lack of physicians and nurse assistants means patients must wait “for up to two months to start treatment” (MSF 2007, p. 2).

Antecedents of turnover include poor working conditions, mobile population and global market demand. However, certain interventions have been effective in retaining nurses. For example, job sharing that addresses the generational issues that affect young mothers. In countries such as Thailand, improving salaries and offering rural stipends has reduced turnover in more remote areas (Baumann, Yan et al. 2006).

### 3.1 Practice environments

Positive practice environments and adequate staffing requirements lead to quality workplaces and reduction of turnover (ICN 2007; ICN 2006a). The main issues in turnover are workload and factors in the work environment that may increase turnover in any organisation. In the 1990s, the work of Siegrist (1996) and Kristensen (1999) highlighted the important balance between effort and reward in the work environment. Their respective models emphasized the role that predictability, social support meaning, and demands fitting the resources of the person play in facilitating job satisfaction and retention.

Ongoing work includes attempts to define difficult concepts such as workforce stress. However, it is commonly agreed that psychological factors have to be considered along with structural factors such as safe environment and adequate staffing and equipment. Recently, the literature has
introduced new concepts such as job embeddedness to “capture a more comprehensive view of the employee-employer relationship than is typically reflected by attitudinal measures such as satisfaction or commitment” (Mitchell et al. 2001).

This concept emphasizes the fit between employees and their jobs as well as other important life aspects such as social and cultural links (Holton & O’Neill 2004). It focuses on “why people stay in their organizations” rather than why they leave them (Sekiguchi et al 2008). The concept builds on the early work of Karasek (1979) who examined job demands and decision latitude and introduced the concept of job redesign.
Chapter 4: Reducing Turnover: Responses and Strategies

4.1 Policy development
Retaining a well-trained workforce requires cooperation at the national, local and organisational level. It is vital to recognise that this cannot be done in isolation from existing national labour, finance and health policies. Legal and regulatory frameworks impact organisational endeavours directed towards turnover and recruitment and retention. Supportive organisations such as professional and regulatory bodies are critical because they often gather vital information about the nursing workforce and can encourage changes in the work environment. Furthermore, they not only focus on the patient and nurse, they examine a multitude of factors in their ongoing efforts to reduce turnover.

International organisations such as the International Council of Nurses (ICN) are crucial because they are often the repository of information that is vital for country-specific discussions on turnover. These discussions include international, national and local perspectives. The analysis of turnover requires a good understanding of a nation’s workforce (Baumann, Keatings et al. 2006), for example, who is presently in the workforce, their roles and skills, and workforce demographics. The Canadian Institutes of Health Research collect salient information and statistics about the Canadian nurse workforce. This type of data should be available in every country.

It is also essential to have complementary policy frameworks at the regional and local level to provide the backdrop for retention efforts. Equally important are professional bodies that represent health care personnel and advocate on their behalf. These bodies play a key role in facilitating research on the factors that influence nurse turnover, the impact of turnover and the development of relevant retention strategies. Given the crucial need for workforce stability, the relationship between health investment, policies, the existence of professional associations and the retention of nurses should be acknowledged and strengthened.

4.2 Effective workforce planning
In an effort to improve retention and strengthen the development of the nursing workforce, a seven-point framework was developed to provide an outline for macro countrywide assessment of a commitment to workforce planning and reduction in turnover (see Table 2). It focuses on critical elements that influence healthy work environments and support recruitment, retention and reduction of turnover (Baumann, Yan et al. 2006). If there is investment in the focus areas, there are subsequent policies addressing health human resource issues, as well as plans intended to minimize nurse turnover and to increase nursing workforce numbers, boost nurse morale, and create a more stable health care environment capable of meeting people’s needs.
Table 2: Seven-Point Framework: Critical Elements in Relation to Turnover

<table>
<thead>
<tr>
<th>Areas of Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 GDP and investment in health</td>
</tr>
<tr>
<td>2 Mix of private/public investment</td>
</tr>
<tr>
<td>3 International migration</td>
</tr>
<tr>
<td>4 Health policy frameworks</td>
</tr>
<tr>
<td>5 Countrywide strategies</td>
</tr>
<tr>
<td>6 Province/regional strategies</td>
</tr>
<tr>
<td>7 Professional association/regulatory body</td>
</tr>
</tbody>
</table>

Nursing workforce dynamics are multifaceted and various approaches are needed to understand the associated issues. Requirements at the country level include national statistics that collect information about workforce characteristics and turnover, followed by accurate information at the local level. These statistics help guide macro level policies that eventually filter down to the regional and organisational level. Good workforce data includes demographic profiles, vacancy rates and turnover rates, which are important at all levels. At the organisational level, better data leads to better annual workforce planning decisions, which strengthen the organisation (Baumann 2007).

A workforce profile provides a unique panoramic view of the nursing workforce that informs decision makers and planners about workforce trends, future requirements and recent reports and policies. Workforce profile toolkits such as that developed by Baumann, Keatings et al. (2006) encourages dialogue, facilitates a more comprehensive and shared understanding of critical human resource issues, and helps develop a strong case for investment in retention strategies that increase employment stability.

Workforce trends should be reviewed on an annual basis as part of workforce planning. Job terms include turnover and variables such as absence, overtime, educational profile and vacancy rates.

The ICN (2006) has outlined five priority interventions relevant to retention, which also provide guidance in developing strategies to reduce turnover. The focus areas in the framework are closely aligned with the interventions, which are as follows:
• Macroeconomic and health sector funding policies;
• Workforce policy and planning, including regulation;
• Positive practice environments and organisational performance;
• Recruitment and retention; addressing in-country maldistribution, and out-migration; and
• Nursing leadership” (ICN 2006b, p. 6).

4.3 Investing in the workforce
A key paradigm shift in the discussion of turnover is recognition of the importance of capital investment in the workforce. The term human capital is critical for this understanding. It was first used by the Nobel Prize winning economist Theodore Schultz who pointed out that improving welfare in poor countries did not depend on traditional forms of capital but on knowledge (Fitz-enz 2000). The OECD defines human capital as “the knowledge, skills, competencies, and attributes embodied in individuals that facilitate the creation of social and economic well-being” (OECD 2001, p. 18).

Employers should consider workers as assets and expect that investing in their skills and knowledge will yield returns in commitment and productivity over time (Baumann & Blythe 2003). This approach can minimize nurse turnover and guard against unfavourable long-term trends. It enables the development of innovative retention strategies that confront the issues threatening workforce stability. These strategies include the recent focus on the successful integration of all cadres of health personnel into the workforce, including internationally trained nurses (Baumann, Blythe & Ross 2010).

To be effective, policies must be at the macro, meso and micro level and take into consideration each country’s unique situation. Multi country studies such as the NEXT-Study (Hasselhorn et al. 2005) demonstrate that there is potential for sharing retention and employment stability strategies, which can help reduce turnover at the international level. These include the following:

• Consider nursing in “terms of general retirement policies…[and] also in terms of ensuring an adequate supply for health care delivery in different settings” (p. 11).

• Monitor and survey “the inner-European migration process of nurses (and other health care workers)...in donor and destination countries” (p. 16).

• Improve working conditions (p. 30).

• Regularly monitor the “physical and psychological health status of nurses” (p. 37).

• Health care institutions and leaders “should recognize the relevance of leadership and social relations” (p. 40).
Although the NEXT-Study analysis was a country-by-country review, there were common themes. One of the major macro conclusions was to launch “a culture of the evaluation of policies of recruitment and retention of nurses and policies of promotion of workplace well-being” (Hasselhorn et al. 2005, p. 69) in order to improve stability. Related strategies include ensuring nurses are sufficiently rewarded for their work by recognising their contributions and providing adequate remuneration and professional development opportunities (Hasselhorn et al. 2005).

Based on their experiences in South Africa, MSF (2007, p. 19) has compiled a list of fundamental changes required to improve the quality of care in the region and stem the shortage of local health human resources. Although these changes pertain to shortages, they are the result of the ongoing turnover in staff. Recommendations include the following:

- Development of emergency retention measures at the national level to break the cycle of high attrition so that patients can receive the care they need.
- Improving salaries, working conditions and incentives to retain and attract workers in rural and underserved areas.
- Access to treatment for health care workers.
- More flexible scope of practice and work rules to allow staff to take on crucial tasks.
- Changes to multilateral and bilateral donor rules.
- Mobilization of funds to allow support for recurrent human resource costs (e.g. salaries).
- Lift national spending limits and allow governments to increase salaries and the health workforce.
Conclusions

This paper has summarized key literature on the impact of turnover and the benefits of employment stability in the promotion of both continuity and quality of care. It outlines the more recent emphasis on employment stability and suggests an approach that will enhance workforce planning.

Turnover, employment stability, workforce stability and the concept of retention are closely aligned. Each one taps literature from different fields, but there is commonality among the writings. There is general agreement that there are benefits to reasonable turnover and employment stability that lead to cohesive teamwork and greater predictability for patients and nurses. Although the actual costs of turnover vary from country to country and setting to setting, studies focusing on the costs of turnover and the dramatic global movement of international workers have highlighted the need for immediate action to stabilize health workforces.

In some ways, it has become easier to make the case for employment stability as the research has begun to demonstrate the high cost of turnover and recruitment. However, it is essential to be able to provide information in a framework that is both understandable and useful to a diverse set of stakeholders. This means time and effort is required to bring together the various perspectives of decision makers such as administrators, policy makers and HR specialists. If the baseline data includes accurate information about the existing workforce and the larger organisational and societal context, it will have more meaning for stakeholders and thus set the stage for change.

The impact of nurses leaving an organisation can be dramatic or more subtle. In extreme cases (i.e. when a critical number of nurses are lost to the health care facility or system), the evidence is unequivocal — organisations are drained of expertise, morale is impacted, teamwork suffers, and the costs of recruitment and retention are high. Understanding the nature and size of turnover leads to insight for the development, measurement and planning of retention strategies that can be compared across institutions and countries.
References


American Association of Colleges of Nurses (2010). *Nursing Shortage Fact Sheet*. Available at: www.aacn.nche.edu/Media/FactSheets/NursingShortage.htm (accessed 18 November 2010).


McGillis Hall L, Doran D & Pink G (2004). Nurse staffing models, nursing hours, and patient safety outcomes. *Journal of Nursing Administration*, (34)1, 41-45


