Employee turnover rates are higher in health care than in virtually any other industry, including financial services, manufacturing or education. There are numerous reasons why this might be the case. For example, the work health care employees do is very different from work in other sectors. Although caring for patients is rewarding, it can also be stressful. The stakes are high if mistakes are made, and the 24/7 nature of health care services can result in unpredictable schedules. In addition, there are few barriers to switching organizations in health care. Nurses and clinical staff have a standardized skill set, coupled with chronic labor shortages, which makes it relatively easy to find employment at many different organizations.

Although specific estimates vary, there is no doubt that turnover can have a negative impact on patient care and the bottom line. For example, it has been estimated that nurse turnover costs between $42,000-$64,000 per departure. For a hospital that employs 600 nurses and experiences a 20% turnover rate, the yearly estimated cost would be $5-$7 million a year. In addition, it has also been estimated that the average hospital loses $300,000 per year for each percentage increase in annual nurse turnover. These are significant costs, suggesting considerable effort should be made to address turnover and retention issues.

Although health care HR teams often recognize that they need to take action to reduce turnover, it is also important to recognize that not all turnover is the same. Clearly understanding the different forms of turnover can help organizations better target their retention strategies and practices. Overall turnover can be divided into involuntary (the organization decides to dismiss the employee) and voluntary (the employee decides to leave) forms of turnover. Voluntary turnover, in turn, can be divided into “functional” and “dysfunctional” forms of turnover.

- From the organization’s perspective, functional turnover is desirable. It occurs when poor performers decide to leave the organization.
- Dysfunctional turnover, on the other hand, should be avoided. It occurs when strong performers quit their jobs.

Organizations must take steps as early as possible in the employee lifecycle to address dysfunctional turnover. That means re-examining different aspects of the hiring process, such as recruiting, selection and onboarding. Focusing on these three areas can result in new hires who are a good match for their position and more likely to stay with the organization.

**Recruiting**

Traditionally, the primary goal of recruitment has been to identify promising candidates and to fill open positions. Yet, it is possible that the recruiting process can fulfill another strategic objective: reducing turnover. Consider the following three approaches to lowering dysfunctional turnover through recruiting:

1. **Recognize that some recruiting sources deliver employees with higher retention rates than others.** Online job boards, employment agencies and organizations’ websites all attract different types of candidates with different retention profiles. As a general rule, however, employee referrals usually generate new hires with low turnover rates.

2. **Analyze different recruiting sources for retention.** It’s a good idea to quantify the retention rates associated with different recruiting sources. As new employees are hired, the HR team should record where they were recruited from. If a staff member elects to leave, data should be gathered about how long they stayed with the organization. This can be linked back to the recruiting source. Tracking data over time provides valuable insights into which recruiting sources are most likely to yield candidates who will stay with the organization.

3. **Use realistic job previews during recruitment.** One driver of turnover is when new hires begin work, but don’t have accurate expectations about what is required on the job. When candidates don’t feel that a job is a good fit, they are more likely to self-select out and leave the organization. An effective way to combat this problem is to incorporate realistic job previews into the interview process. This gives applicants a clearer view into the position, what it will take to succeed and whether the job is for them.

**Selection**

Just as the recruitment process can be tailored to reduce turnover, the new employee selection process can also be designed to identify candidates who will be less likely to leave the organization after they are hired. Past job performance is an important consideration during the selection process, but it’s also a good idea to evaluate characteristics that are predictive of turnover.
Although hiring managers are typically the experts when it comes to assessing candidates’ technical competencies, recruiters can play an important role in ensuring that candidates who are the best cultural fit for the organization make it further along in the hiring process. Two proven ways of improving the selection process are behavioral assessments and structured interviews.

- **Behavioral assessments.** These tools are used to evaluate personality traits and “biodata” (background information) that are known to influence employees’ likelihood to leave a job. For example, people who are self-confident and decisive tend to exhibit lower levels of turnover. Biodata relevant to turnover includes past work experience and the presence of friends or supportive peers in the workplace. Behavioral assessment software enables candidates to answer a series of questions online. Their responses are analyzed, and a report is generated for HR and hiring managers. The report highlights the candidate’s strengths, as well as areas where further discussion during the interview process is advisable. Behavioral assessments are useful for recruiters because the results enable them to immediately identify the best fitting candidates for hiring managers. Before inviting promising candidates in for face-to-face interviews, recruiters can also use assessment results to guide phone screening questions.

- **Structured interviews.** This is a standardized process to evaluate how well candidates fit with job requirements and the organizational culture. Structured interviews can determine whether an applicant is a good fit on three important dimensions:
  - Does the candidate’s needs match what the job provides?
  - Do the candidate’s abilities match what the position demands?
  - Are the candidate’s values in alignment with those of the organization?

It is possible for the HR team, including recruiters, to develop structured interview questions for different positions. Alternatively, behavioral assessment software will often create custom structured interview guides that are tailored to each candidate’s assessment results.

**Onboarding**

Once a candidate accepts a job offer, the recruiter’s job isn’t finished. For many new hires, the strongest relationship they have at a new employer is with the recruiter. Because individuals who have a strong relationship with their employer tend to have higher levels of job satisfaction, it is often helpful for recruiters to act as the point person for new hires during the first 30 days on the job.

Onboarding is a great way to strengthen the relationship between new employees and employers. Onboarding can inoculate against turnover in several ways. When employees have clear expectations and objectives at work, they perform better. Onboarding provides an opportunity to set those expectations. It also helps new hires adjust more rapidly to the social and performance aspects of their jobs. This is important because in many organizations, employees have a limited amount of time (typically 90 days) to prove themselves in a new job. The faster new hires feel comfortable with their work, the faster they can contribute to the organization.

The most effective approach to onboarding is a structured and systematic one. This is preferable to taking an informal “sink or swim” approach to onboarding which creates unnecessary ambiguity and stress for new hires. When organizations don’t manage or monitor onboarding activities proactively, new employee learning and adjustment is haphazard at best. A set of standard processes helps employees make the transition into a new position. Here are eight tips for creating a structured onboarding program that will contribute to employee retention:

1. Develop a written onboarding plan
2. Have clear goals for the onboarding process, specifying what the process will achieve
3. Consistently implement the program so that all new hires go through the same process
4. Engage stakeholders, including recruiting, in the planning and keep them in the loop
5. Make the onboarding process participatory for new hires and others
6. Clarify employees’ objectives, roles, and responsibilities
7. Periodically check on employee progress to see if any issues have arisen
8. Monitor the program over time and make adjustments as needed

Using technology to support the onboarding process can be a win for both employers and employees. Some applicant tracking systems handle the administrative aspects of onboarding, such as sending new hires all the forms they need electronically. This leaves more time during face-to-face meetings to focus on important topics like job expectations and organizational values.

**Conclusion**

In health care, finding and keeping good employees is essential for delivering quality patient care. Given the cost of replacing staff, it’s never too early in the employee lifecycle to think about reducing dysfunctional turnover. HR teams can play a central role in designing recruiting, selection, and onboarding processes in ways that maximize the likelihood of hiring talented professionals who will stay with the organization for years to come.
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