



Opinion Article

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Increasing Nursing Retention to Reduce Financial Costs

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Opinion

Nurses play a major role in health care setting, providing the daily care to patients. Being a new graduate nurse is not easy especially when there is a great difference between the education environment and the real world of hospitals. New Graduate Registered Nurses (NGRNs) require additional support to adopt and adjust to the working environment. If not properly acclimated to the hospital environment, statistics show many new nurses leave their initial positions within the first two years of their hiring. To lower this statistic, appropriate decision-making skills, real world hospital knowledge and confidence building can be obtained through a variety learning methods. By participating in nursing residency, mentorship and specialized orientation programs, NGRNs are less likely to leave their initial positions thus saving the hospital the cost of retraining new nurses and using temporary nursing staff. Recent studies and statistics show the cost benefit of these training programs for NGRNs.

Some new graduate registered nurses (NGRNs) have a difficult time in their initial hospital positions and tend to quit these positions within the first two years of placement. Geographic relocation, long working hours, high stress environment and dealing with sickness and death are some of the main reasons cited in various reports. When these newly hired nurses are neither properly integrated nor well supported in a new environment, some have a tendency to quit. Unfamiliarity with health care systems, ignorance of safety issues, insufficient orientation and lack of experience can affect these nurses to the point of their being dangerous to patients and to themselves. High turnover rates for nurses in hospital settings can be costly and an inefficient use of hospital resources. To

manage this loss of nursing staff, hospitals use temporary nursing staffing services to make up the shortage. Hospitals currently spend 11.7% of their nursing budget on temporary staffing in New York [1]. Reducing the current nursing turnover rate will help hospitals to save money and retain a more experienced staff while improving patient safety, but these solutions are still in the early stages of development. Standard, short (3 weeks) orientations are insufficient for most new nurses. Specialized orientation programs addressing the reasons for the turnover can have a positive impact on nurses' skills, confidence and comfort level, resulting in lower turnover rates and greater hospital savings. Extended nursing residency, mentorship by experienced nursing educators, and focused internships on specialization are helpful to guide and train new graduate nurses. These programs are highly recommended by the Institute of Medicine [2].

Nursing school graduates are considered inexperienced health care providers. On the job training will improve the gap between theory and practice, but hospitals have many specialized departments (emergency room, pathology, hematology and oncology) that require more experienced nurses with multiple skills. Several solutions have been tried with varying degrees of success, but recent reports acknowledge the need for more on the job training to reduce nursing turnover within the first two years of a nurse's initial hiring. The cost of nursing staff is expensive, including usage of agency nurses. Hospital finances are limited; patient's satisfaction and performance will impact on their funding or budgeting. Hospital closings or merging with other hospitals means sharing the resources to improve the quality of care. It is

imperative to improve nursing retention to preserve the hospital's resources. Without proper training of the nurses in the first few years of their hiring, the goals can't be met. There are many types of RN residency programs to help NGRNs transition into their careers successfully; the cost of these programs can be high due to the course structure, curriculum design, length, educators, mentors and resources to develop in the programs. Hospital administration must be shown that the cost on a transitional RN residency program can save the hospital money. Recruitment, orientation, and development costs, particularly for inexperienced nurses, may add new expenses to the hospital, but recent statistics show that these programs will ultimately save the hospitals money.

In conjunction with a large group of nursing organizations, the National Council of State Boards of Nursing developed Transition To Practice (TTP) programs specifically to address this important issue [3]. Through a survey of different studies, the primary purposes of most TTP programs are to integrate, train and retain NGRNs in their first working position in a hospital. Hospitals using a TTP ultimately had a greater return on investment (ROI), decreased nursing turnover rate, and improved patient safety by avoiding the use of temporary nurses. These statistics cannot be definitive due to the shortness of some of the studies, the size of the study sample and the fact that nurses still do leave initial jobs under certain circumstances. However, the cost analysis shows a positive ROI when using a structured TTP program compared to a limited program, with a net cost savings of \$735 per NGRN [3]. In a cost benefit analysis of 15 community based hospitals, Trepanier and Associates [3] found a large reduction in nursing turnover in a 1 year period of a nursing residency program producing an estimated savings of over 15 million dollars. The same analysis showed an estimated savings of over 33 million dollars in contract labor usage from pre-residency to post residency [3].

Lee Memorial Health System (LMNS) developed a transitional orientation program called intern development specialists (IDS), designed to develop and retain competent RNs [4]. To assess nursing competence, two systems have been used: the performance based development system (PBDS) and the performance management services (PMSI). PBDS assessment is for patients to evaluate their expectations for critical thinking and interpersonal skills of nurses. The PMSI is used to assess and evaluates nurses' competence. Guthrie, et al. [4] shows that only 35% of inexperienced nurses meet the entry expectations and 65% of new graduate RNs' skill improved after post orientation. However, unsatisfactory results with this approach led to the creation of a Transitional Orientation Program (TOP). Although similar to an internship education, TOP begins with an assessment of the nurse before entering the institution. The TOP is then modified to create a more individualized approach matching the nurse's areas of inadequacy and inexperience. The eventual changes allowed the TOP nurses to hit the PMSI benchmark at

67%, additionally supported by IDS. The IDS took an active role in the growth and development of these nurses through reviews, planning and development activities and making evaluations of the readiness of these nurses. Statistics based on the use of the IDS showed marked improvement among the nurses and substantial savings for the hospital. Guthrie, et al. [4] found that in 2011, the TOP outcome data with IDS reported a savings of \$91,000 and the hiring of an additional two IDS personnel. This program reduced the amount of cost in the hospital.

In another medical facility, the Cohen Children Medical Centre (CCMC) was struggling to keep their newly hired nurses; in 2005, they experienced a one-year retention rate at 65% and a two-year retention rate of 50% in their pediatric care unit [1]. Another example, 17.5% newly licensed RNs leave their first nursing job in a year and about 33.5% leave within 2 years [3]. In general, NGRNs do not retain their positions in these particular units. Friedman, et al. [1] found that before the fellowship program, the cost was more than \$25,000 annually in CCMC. Some of the NGRNs feel shame when they fail to take care of their patients. This data shows the importance of the nursing residency, mentorship, and fellowship programs. Nursing residency programs include nurse leaders as mentors, essentials of critical care orientation (ECCO), both adult and pediatric versions, seminars, associate fellows, and master fellows. Based on the American Association of Critical care curriculum or the Association of Pediatric Hematology Oncology Nurses (APHON) curriculum or the Bone Marrow Core Transplant (BMT) curriculum, these programs offer NGRNs support and integrate NGRNs in their specialties in CMCC. Nurses' turnover rate fell from 35% to 6% in a year. The Advisory Board Company [1] also found that reduction-nursing turnover can have a cost saving to the hospitals of 1.5 to 2 times a nurse's salary.

Before the fellowship, the expense on agency or traveler nurses were \$1,259,113, but after the fellowship the cost was reduced to \$593,534 [1]. Friedman, et al. [1] posit that fellowship has a positive impact on net cost savings of \$597,778. Financials are always difficult to be adjusted due to the need of staff, cost of supplies, taxes, expenses, regulations and policy. NSI Nursing Solution [5] shows that nursing turnover is a big issue nation-wide. The turnover rate is 17.1% and it costs hospitals from \$5.2 to \$8.1 million. The cost to replace a bedside RN ranges from \$10,098 to \$88,000 [6]. Since nurses play a major role in health care, reducing the turnover rate is necessary to reduce the costs. Not every institution resorts to a transitional training program to address nurse retention. The Professional Development Assessment tool was created to guide currently employed nurses into staying within the organization by focusing and pinpointing career paths within the hospital instead of leaving the institution [7]. Professional goals can be assessed once or twice on an annual basis to track the nurses career progress with the additional support of an experienced nurse as a guide or mentor.

In conclusion, nursing turnover rates and the predicted nursing shortage are serious issues in the US health care system. This is especially true for the aging baby boomers people who are living longer after reaching retirement age. The health care system needs to retain its trained nursing staff with the cost effective methods and decrease turnover rates among new nurses with improved mentorships and focused training methods. The competency of NGRNs needs to be assessed and evaluated. Professional attitudes, sensitive behaviors, technical skills and decision-making abilities need to be developed during the training process. Concentrated efforts to integrate them into the real hospital environment must be effective and efficient so that they will want to remain in their positions.

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Conflict of Interest

Author declare no conflict of interest.

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