# IMPROVING RECRUITMENT AND RETENTION

*Catholic Health East Has Responded to the Nurse Shortage with a Systemwide Initiative*

BY ELAINE I. BAUER & GEORGE F. LONGSHORE

Warp-speed decision making by a health care system? "In your dreams!" most health care executives would say. Yet Catholic Health East (CHE), Newtown Square, PA, a health care system comprising 19 regional health corporations (RHCs), with 33 hospitals and 44 continuing-care facilities, moved in less than a year to create, gain consensus on, and begin implementing and measuring the results of a nursing recruitment and retention program. Even better, the program was designed to improve nursing models of care delivery *and* reduce costs throughout the system.

Before CHE launched the new program, each of its RHCs decided independently how to meet its staffing needs, including how much to spend on agency nurses. Some tried revising the roles of nurse managers; some embarked on participatory management efforts; some stepped up college recruitment efforts. As in most health care organizations, however, the quickest solution was generally using agency nurses.

At a time when nurses are aging, often dissatisfied, and certainly scarce, increasingly heavy reliance on agency nurses is an expensive and unsustainable remedy. In 2000, CHE spent $22 million to employ staff from outside agencies; by the end of 2001, the cost had nearly tripled, to $63 million.

Today the goal of the system's various organizations is to control this escalating expense and to move toward becoming "preferred employers." A ministry-wide solution called for a dramatic new direction for CHE. As a result of the new program, the system has changed the way it makes decisions not only regarding nursing recruitment, retention, and excellence-of-care issues but also in the way it brings about improvement in other areas.

From the beginning, CHE's leaders realized that solutions to the system's nursing-related problems were going to be expensive. A major question was: "Can we, as an organization, afford to throw more money at this?" The leaders decided that, in reality, they couldn't afford *not* to invest in the effort.

Although the process that brought the system to successful change was quite complex, its basic elements are fairly simple. CHE believes that the achievement of many of the system's objectives in such a short time—especially gaining the collaborative support of the many entities that make up CHE—is the crux of the story.

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## NOVEMBER 2001

CHE began by engaging Cap Gemini, Ernst & Young, a consulting firm, to bring what it calls its "Rapid Design Process" to bear on the system's efforts. The overarching intent was to launch CHE's "Blue Ribbon Panel on Nursing Care Excellence" (BRP), which, in the months to come, would use the meeting's outcome to develop and implement an accelerated work plan for improving nursing recruitment and retention and revamping care delivery models.

The Rapid Design Process, which has been used in many industries to develop swift solutions to strategic problems, generally involves one to three days of intense discussion facilitated by Cap Gemini consultants, the organization's leaders, and other personnel. At the end of the discussion, the group reaches consensus on a number of actions for the organization to take.

A group of 22 people from across CHE's ministries met for a day in November 2001. Involving themselves in a rigorous process of exploration, co-design, assessment, and decision making, they examined the organization's long- and short-term goals. They identified current nursing problems, established short- and long-term objectives, and discussed ways of dealing with the barriers the system was likely to encounter in trying to achieve its goals.

Robert Stanek, CHE's chief operating officer, told his fellow participants, "The future of our nursing services rests in the hands of the people who are assembled here today." He emphasized the importance of the system's core values—reverence for each person, community, justice, commitment to those who are poor, stewardship, courage, and integrity—noting that, in the best companies, successful employees are those who consistently work in accordance with their organizations' values.

## March 2002

The BRP held its initial meeting in March 2002. A 45-member, multidisciplinary team, the BRP included both CEOs and staff nurses. Represented on it were members of the system's Patient Care Executive Council (the chief nursing officers of its hospitals, nursing homes, and other components) and executives from its mission services, human resources, marketing, and administrative departments.

Since the November meeting, Cap Gemini had gathered a large amount of background data. In March, the BRP put this information to work during its own two-day Rapid Design Process sessions. Participants focused on identifying patterns in three areas: recruitment, retention, and patient care delivery. In each of these areas, a work group was assigned to:

- Accelerate the development of detailed, comprehensive strategies aimed at helping CHE members become preferred employers of nurses in their local service areas
- Identify the internal model practices that produce the best results
- Develop easy-to-use tools that would both facilitate and measure effectiveness in individual CHE facilities and throughout the system
- Maintain local autonomy among facility senior leaders by tailoring solutions to their particular needs
- Recommend strategies and "next steps" for everyone involved

Participants identified patterns in three areas: nurse recruitment, nurse retention, and patient care delivery.

## Recruitment

A BRP subgroup on recruitment was led by Gavin Kerr, CEO of Mercy Health System, Conshohocken, PA. The group's members, discussing ways to increase the supply of nurses, focused on how CHE facilities could become preferred employers in their communities. Other strategies they identified were:

- Determining the difference between what CHE offers nurses from what other systems offer them
- Enhancing the recruitment experience
- Expanding the candidate pool
- Streamlining the hiring process to facilitate more timely and useful interaction with job applicants

Citing the 2001 cost to the system of using agency nurses, the subgroup suggested that by improving the recruitment and retention of nurses, the system could realize an excellent return on investment (see **Box**).

The subgroup also prepared an extensive matrix of specific goals in the areas of candidate sourcing (determining the best places to look for candidates); "onboarding" (reducing the time between when a candidate is hired and the time he or she actually begins work); selective hiring (looking for candidates whose values match the organization's); and infrastructure. A second matrix described the relative ease of implementation and the probable business impact (e.g., a "small payoff" versus a "big payoff") of each suggested strategy. In addition, the subgroup worked up a full description (including a description of the costs) involved in establishing relationships with schools of nursing.

Finally, the recruitment subgroup developed a set of tools. One tool, a flow chart for "onboard-

**RETURN ON INVESTMENT: CHE WIDE**

- **Savings Opportunity**
  - Reduce Time to Hire by 20% — $13.4M
  - Reduce Turnover by 1% — $3.7M
- **Increased Patient Satisfaction**
- **Improved Quality of Care**
- **Improved Employee Satisfaction**
- **Improved Sustainability for the Mission**

ing," encompasses the hiring process from the facility's first contact with the job candidate through the beginning of his or her orientation as a new employee. A "recruitment measurement tool" has indicators for such categories as the time elapsed from initial interviews to hiring interviews; candidate flow; the cost per hire; and the satisfaction, of both the candidates and the hiring manager, with the process. A third tool is a chart that delineates the CHE nursing "product" designed to attract prospective nurses.

As the **Box** shows, this "product" lists factors likely to attract nursing candidates to CHE, emphasizing life cycle–oriented employment. The system realizes that an employee's needs vary widely across a lifetime of employment. Tuition reimbursement, for example, might be an attractive benefit for younger employees or for older ones with children, but not for older employees without children. By the same token, work schedules will require changes: New nursing school graduates might not mind working midnights through the week in order to have weekends off, but nurses with children may want to stagger shifts in order to share child-care responsibilities with a spouse. Older employees may not have the necessary stamina for 12-hour shifts or high-stress workloads.

The **Box** also shows that CHE's "product" emphasizes choices in compensation and benefits, support for nurses as caregivers, gain-sharing programs, and the fostering of leadership skills that can advance the education of those nurses who choose to come to work for CHE. The "product" specifies opportunities for growth and development and outlines various attributes of the CHE work environment. It also encourages candidates to ask themselves whether working for CHE is likely to match their own lifestyles, missions, and values. In combination, the "product"'s components provide CHE nursing candidates with highly detailed guidance in making their decisions. And, of course, these issues are discussed during the candidates' interview process.

Many nurses leave their jobs in the first 90 days.

## Retention

Studies show that many nurses leave their jobs in the first 90 days of employment, about half of them because of incompatibility with their direct supervisors. A BRP retention subgroup, led by Deborah Saylor, senior vice president of nursing, Holy Cross Hospital, Fort Lauderdale, FL, included among its objectives:

- Considering redesign of the nursing orientation program
- Determining how leadership excellence programs could be implemented to improve the chances of CHE institutions becoming preferred employers
- Implementing a systemwide exit-interview tool

Like the recruitment subgroup, the retention subgroup created a matrix, in this case one listing priorities, needs for further development, and a

## CHE NURSING "PRODUCT"—MAKING THE MOST OF YOUR LIFE

| The Right "Deal"—Customer Perceived Value | Opportunity for Growth and Development | Aligned with My Mission and Values | Matches My Lifestyle | Right Work Environment |
|---|---|---|---|---|
| • Life Cycle Oriented "Deal" | • Ongoing Continuing Education<br>*–Online Learning*<br>*–Onsite Learning*<br>*–Tuition Programs* | • Patient Care Excellence | • Right Hours/Scheduling Choices<br>*–Mandatory OT Solution*<br>*–Rewards for "Tough Duty"* | • Calling to a Healing Ministry |
| • Choice Oriented Comp and Benefits Trade Off Choices | • Clinical Ladder | • Care of the Whole Person: Body and Spirit<br>*–Spiritual Care Strength*<br>*–Cultural Diversity* | • Right Assignments: Get There Faster | • Customer Focus |
| • 60-75% Total Compensation | • Shared Education Opportunity across CHE | • Commitment to the Community and Community Service<br>*–Care for All*<br>*–Outreach to the Poor and Underserved* | • Geographic Flexibility | • Work with Well-Prepared Managers |
| • Caring for the Care Giver<br>*–Retirement Benefits*<br>*–Care Giver Support* | • Leadership Formation | • Community of Persons | • Crisis Support<br>*–Respite Options*<br>*–Employee Assistance Support*<br>*–Career Counseling* | • Culture of Caring–High Touch Tradition |
| • Gain Sharing Programs | • Career Advising | | | • Healing Team–Empowered RN to Use Skills |
| • Education Leaders | • Transfer Policy and Process | | | • Reasonable Work Load, Intensity |
| | • Rewards for Growth | | | • Appropriate Resources, Tools, Technology and Support Services |
| | | | | • Collaborative Relationship with Medical Staff |

likely division of labor. Another matrix estimated the ease involved in getting the jobs done and the probable business impact.

### Models of Care

A models-of-care subgroup, led by Kathy Brodbeck, vice president of patient care services for St. Peter's Healthcare Services, Albany, NY, sought to define strategies that would:

- Support participative management and shared governance
- Explore various nursing care delivery models
- Establish agency management principles and guidelines
- Set forth common measures supportive of, and aligned with, desired CHE behaviors

This group suggested that, as its five main strategies, CHE should:

- Adapt a software tool providing e-Bay–style Web site bidding for nurses' services
- Develop a balanced scorecard for management of agency staff use
- Improve management of agency staff use
- Develop models of care delivery
- Offer shared governance/participatory management (which is widely seen as a key to preferred-employer status)

The models-of-care subgroup divided each of these strategies into specific actions and, like the other subgroups, arranged them in matrix form according to priority. The subgroup also reviewed nursing care paradigms, choosing one particular model of care for CHE. This model includes guiding principles, measurements of success (outcomes in the clinical, financial, satisfaction, and operational areas), and the infrastructure needed to support the model.

### "Next Steps"

Finally, at the end of the meeting, the BRP outlined seven "next steps." CHE would, the group decided:

- Determine the initiatives' priorities and take them to the various CEOs for endorsement
- Identify the infrastructure required to carry out the BRP's recommendations and continue its work, both at the corporate level and in member facilities
- Define "next steps" for the BRP's subgroups and their leaders (decide, that is, whether to continue or restructure the subgroups)
- Complete business plans based on the CEOs' endorsement of strategies and estimate the likely return on investment from such plans
- Review and refine timelines for each recommendation
- Establish a formal system for tracking, measuring, and sharing internal "best practices" (that is, corporate support for member facilities' efforts)
- Develop an overarching communications plan

Two June meetings put implementation of the BRP's recommendations in motion.

### June 2002

After the March BRP session, Elaine I. Bauer (one of this article's authors) was assigned to coordinate the findings and advance action on all fronts. Between March and June, CHE's senior leadership team (including the RHC CEOs and the system's senior management team) first studied and then approved the BRP's recommendations, even though doing so without knowing every detail and possible ramification of the work to be done required a considerable leap of faith.

Two meetings in June put implementation of the BRP's recommendations in motion. One, chaired by Bauer, was a joint meeting of the system's Patient Care Executive Council (composed of its chief nursing officers) and the Human Resources Council (composed of its human resources executives). Because the nursing recruitment and retention program is a joint effort of human resources, nursing, and other departments, bringing all those involved together to discuss implementation, timing, and division of labor made sense and saved time. The participants were asked to take back to their facilities those ideas that seemed likely to work and to start making changes accordingly.

The second meeting, facilitated by The Studer Group, another consulting firm, used a modified Rapid Design Process. The Studer Group has correlated health care systems' remediation of problems in patient satisfaction, employee satisfaction, and quality of care, with improved clinical, financial, and operational performance. The meeting, attended by a cross-section of people from throughout CHE, discussed how the system could use the Studer concept and principles to pursue both service excellence and putting CHE's values into practice.

As a result of the June meeting, CHE developed its "Values in Practice Program," which—encompassing as it does the system's culture, programs, and methods of achieving excellence—provides an overall framework for excellence in service to all of CHE's constituencies. Values in Practice uses the Studer principles, customized to CHE needs, to drive a culture of service excellence throughout the system, as was recommended by the BRP retention subgroup.

### From June 2002 to the Present

Values in Practice provides some of the tools for improving nursing recruitment and retention that

were identified in CHE's nursing care excellence work plan. This work plan, created and updated monthly, is extremely detailed. Each major goal area—nursing recruitment, retention, models of care, and communication—involves specific initiatives taken from the BRP subgroups' recommendations. The retention goal area, for example, incorporates exit interviews, orientation, and methods of getting to the preferred-employer level. Every initiative is assigned:

- Specific strategies
- Responsibility (local or CHE)
- A "champion"
- Detailed actions to be taken (e.g., "evaluate options/vendors")
- A deadline for completion of each action
- A brief status report on each recommended action (e.g., "Software was demonstrated 5/20/02. Reviewed several options with Patient Care executives and the Human Resources Council 6/11/02; reviewed them with CEOs 7/9/02. Negotiations with vendors will proceed.")

Bauer and the local Patient Care executives coordinate the efforts of the local facilities, making sure that everyone stays on track. In addition, Bauer chairs meetings of the Corporate Project Team, which are attended by Diane Denny, vice president for quality and patient safety; Jack Hueter, vice president for information technology; Sal Foti, vice president for marketing and communications; George F. Longshore (this article's coauthor), vice president for organization effectiveness and human resources; and Stanek.

Bauer and Stanek make quarterly half-hour conference calls to nurse-executives in each CHE facility (some 30 to 40 in all), discussing both successes and obstacles. Since June, the nurse-executives have been busy gathering information about what's working and what's not working, facilitating changes, and networking with other nurse-executives in local institutions.

## Accomplishments

Between June and the end of September 2002, most deadlines in the work plan were met. By early in the fourth quarter, when the first "scorecard" was issued, CHE's leaders could see that the changes undertaken had made a measurable difference. For example, five of the regional ministries showed significant and steady declines in their agency staff use; by August, three CHE organizations had cut their spending on agency nurses to nearly zero.

Four of the system's RHCs have adapted software developed and licensed by St. Peter's in Albany, NY, a member hospital, to put *RNjobs.com*—the e-Bay–style bidding site for nurses' services—on the Web.

The system is actively developing preferred relationships with hospital-associated nursing schools, as well as with colleges with nursing programs. CHE plans to start on-campus recruiting at the end of students' junior years, using high-tech methods of interviewing. The system has also partnered with Drexel University, Philadelphia, to develop an online program that helps licensed practical nurses for advancement, trains registered nurses to earn bachelor's of nursing science (BSN) degrees, and helps BSNs to earn master's of nursing science degrees.

Realizing that a large proportion of nurses leave their employers because of conflict with supervisors, CHE has put together for its nurse managers a new first-line supervisory training program that will be implemented in all of its hospitals. A new section on CHE's Web site will have links offering sample job descriptions, policies, and practices for recruiting and retaining nurses.

For CHE, this was the first time corporate and local staff had come together in such an intense, focused, and collaborative effort to address a strategic challenge. The nursing shortage is a problem at which many hospitals have simply thrown money in the form of signing bonuses and dramatic wage increases—but with only limited success. Through CHE's process, its leaders came to the realization that successful nursing recruitment, retention, and quality-of-care modeling are complex and multifaceted. Still, one fact remains: Patient quality of care comes first. CHE believes that if it is a preferred employer for nurses, a higher quality of care and patient satisfaction will follow.

In sum, CHE has learned that:

- It cannot afford to do things the way it has always done them.
- There is no magic bullet for solving nursing problems; a combination of efforts is needed, and combined resources can meet more needs for more RHCs than can the resources of a single organization.
- To offset the stress of their work, nurses need personal and professional rewards, including clear, consistent communication and constructive feedback—and some fun, too.
- To appeal to today's professional nursing workforce (which, after all, has employment options besides acute and long-term care institutions) the traditional organizational culture (and the tools it provides for doing a good nursing job) have to change. □

There is no magic bullet for solving nursing problems.

JOURNAL OF THE CATHOLIC HEALTH ASSOCIATION OF THE UNITED STATES www.chausa.org

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