



Turnover:

THE TURNOVER CRISIS IN HEALTHCARE:
AN ACTION PLAN FOR HR & FINANCE LEADERS





Healthcare Turnover by Tenure:^(7,8)

30.3% of new hires left within 12 months

53.3% of employees who left spent less than two years at their facility

HEALTHCARE IS BOOMING

The healthcare industry was projected to make up the largest share of jobs in the U.S. by 2020, according to the Bureau of Labor Statistics. Healthcare beat those projections and became the largest U.S. employer in the fourth quarter of 2017⁽¹⁾, surpassing manufacturing and retail for the first time in American history.⁽²⁾

BUT THERE'S A TURNOVER CRISIS, AND IT'S ONLY GETTING WORSE

The turnover rate in healthcare is second only to the hospitality industry.⁽³⁾ The average turnover rate for direct support professionals is a jaw-dropping 40-50%.⁽⁴⁾ In December 2018 alone, there were 1.1 million job openings in the healthcare and social assistance industry and another 572k separations and only 536k hires. The gap between separations and hires is expected to grow year over year.⁽⁵⁾

MANY ORGANIZATIONS DON'T HAVE A PLAN

More than 80% of healthcare organizations recognize retention as a key challenge, but only half have a formal, measurable strategy for dealing with the turnover crisis.⁽⁶⁾

The negative effects of turnover



Money

Turnover in the healthcare industry is particularly costly. *Healthcare Finance* estimates the average cost of turnover, across all occupations in the healthcare industry, is around \$60,000.



Time

Even well-staffed HR and recruiting teams feel the strain of a high-turnover environment. Advertising the job, building a pipeline of qualified candidates, and the interview process itself, which can be especially involved for technical roles, requires a significant time investment. The time it takes to constantly backfill roles also presents an opportunity cost: the quality of patient care, employee development and overall growth are just a few projects and priorities that get left on the back burner as recruiting becomes all-encompassing.



Disruption

High turnover not only leads to additional recruiting and training expenses, but also shows up as lower productivity for other associates who are picking up the slack during the gap of hiring a replacement and getting him or her up to speed.

Healthcare Turnover by Position:⁽⁹⁾

Bedside Registered Nurse:	16.8%
Certified Nursing Assistant:	27.7%
Physician Assistant:	14.2%
Physical Therapist:	10.7%
Medical Technologist:	10.5%
Pharmacist:	8.3%
Radiologic Technologist:	10.8%
Patient Care Tech (PCT):	19.3%

To care for America's aging population, we'll need to hire

2.3 million

new healthcare workers by 2025.⁽¹⁰⁾



The primary drivers of high turnover^(11,12)



POOR COMPANY CULTURE

Dissatisfaction

Studies show that nurses leave clinical settings because of dissatisfaction, broadly defined as poor company culture, unfriendly work environments and emotional distress related to patient care. A study by the Physicians Foundation found similar stressors among doctors, 6 out of 10 of whom would leave the industry if they could afford to quit.

Low engagement

One unengaged employee brings everyone down. 78% of healthcare professionals say working with “toxic coworkers” makes them less committed to the organization.



LACK OF TRAINING

Poor onboarding

90% of healthcare employees decide to stay or leave within their first 6 months. Without a solid onboarding program, new hires may already have one foot out the door. New hires may already have one foot out the door. Foundation found similar stressors among doctors, 6 out of 10 of whom would leave the industry if they could afford to quit.



NEGATIVE EFFECTS OF TURNOVER

Burnout

One of the regrettable but inevitable effects of turnover is burnout. In a high turnover environment, it’s no wonder that 54.4% of healthcare professionals report feeling burnout and fatigue from long hours on the job.

How to solve the turnover problem

ADDRESS THE CULTURE ISSUES

The most successful and profitable companies, in any industry including healthcare, invest time and resources into establishing and maintaining a positive workplace culture. The building blocks of a strong culture include:

- ☐ **Employee experience programs:** If your employees understand their place in your organization and can see a future for themselves, they're far more likely to be engaged. Here's what you need to know to [create the ideal employee experience](#).
- ☐ **Meaningful performance reviews and manager conversations:** The key word here is "meaningful." It's easy to get caught in the habit of pro-forma reviews that lead to very little action. Here are [six tips you can use right away](#) to improve performance reviews.
- ☐ **Reward and recognize:** Too often star employees don't perceive that the company appreciates their efforts. There are easy fixes, but the most effective recognition requires a personal touch. To get started, learn about [the care and feeding of different personalities](#).
- ☐ **Design a great benefits package:** Organizations that view their benefits packages solely as a cost of doing business are missing out on a true competitive advantage. Learn how to [unlock the true power of employee benefits](#).



SPEED UP THE HIRING PROCESS

Realistically, even with all the luck in the world, it can take a year or more to transform a high turnover workplace. In the meantime, you're caught in a Catch-22. To reduce turnover, you need to create a positive company culture, but to do that, you need to reduce the negative effects of turnover. One practical solution is to take a hard look at your recruiting process. Eliminate inefficiencies and friction in the process to dramatically reduce the time it takes to backfill roles. Ideally, you won't have to continually backfill, but until that day comes, make it as easy as possible to find and recruit quality talent.

- ☐ **Build a strong candidate pipeline (especially for high turn roles).** It's important to have a substantial database of qualified candidates for future hiring needs. A high-quality pipeline helps ensure that you're never without relevant candidates. Since positions often must be filled quickly, you should be proactive rather than reactive when recruiting. Sourcing qualified candidates from job boards, [employee referral programs](#), networking with former colleagues, and seeking out competitor's employees are all excellent tactics for building a pipeline. Once you've found appropriate candidates, it's not necessary that you have a specific job in mind. What is important is to build relationships and when an appropriate position comes available, you immediately have candidates.

- ☐ **Identify and reduce process bottlenecks through Analytics.** If you have a grasp on key recruiting metrics, finding top talent and filling that pipeline will be much easier. The key is, you need to dive deeper than just keeping a dashboard and a spreadsheet of how many résumés you've received or how many phone and in-person interviews you've conducted. [Here are the top 5 must-know recruiting KPIs.](#)

INVEST IN TRAINING

When you're hiring educated professionals such as nurses, medical technicians and physicians, it's easy to fall into the trap of assuming that they're already highly trained. But remember even hyper competent pros need onboarding to know the ins and outs of your particular organization and to feel part of the company's mission.

- ☐ **Onboarding:** Employee engagement is an ongoing process. Download "[The First 90 Days: Onboarding Checklist](#)" to get specific, practical tips for onboarding new employees even before they start.
- ☐ **Learning & development:** Giving your employees every opportunity to learn and grow is one of the most effective ways to reduce turnover. It's worth [considering a learning management system](#) that offers virtual, classroom, mobile and social capabilities.



Learning from turnover

Turnover can reveal a lot about your organization and it can be a great learning opportunity, if you ask the right questions and analyze it from multiple perspectives. Here's how to get started.

Turnover Rate: Build a basic understanding of how many employees leave your organization each year so you can benchmark your retention efforts over time.

Turnover Groupings Segmentation: Measuring your current turnover rates by pay, manager or length of service can help you identify problem areas and opportunities to improve.

Terminations and Hires: Track hires and terminations by month so you can measure how your hiring stacks up against turnover.







Turnover Trends: Breakdown turnover results over different time frames to find areas that are improving and declining. As you put in new retention programs, you'll be able to see how those programs performed.

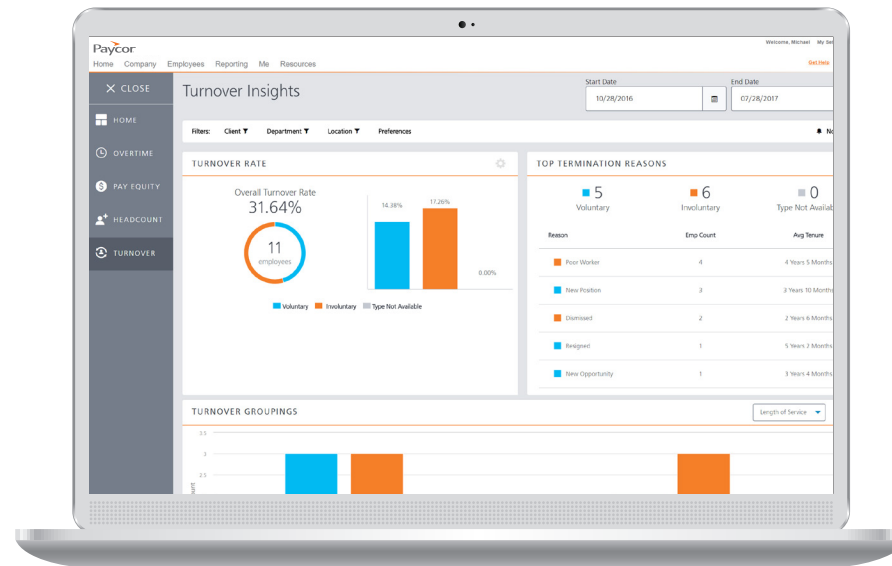
How Paycor can help

Paycor is known for delivering the best HCM technology for medium and small businesses, and we have more than 20 years of dedicated expertise and experience in the healthcare space. But what makes us legendary is the total client experience we provide, from responsive service and user-friendly design to expert partnership and thought leadership. Our unique combination of technology and expertise helps healthcare organizations reduce turnover and optimize every aspect of their business, from recruiting and hiring to engaging and developing their people.



6 Reasons to Choose Paycor

<p>1</p>  <p>175,000+</p> <p>healthcare employees are paid through Paycor</p>	<p>2</p>  <p>4,100+</p> <p>current healthcare clients and growing</p>	<p>3</p>  <p>25+</p> <p>Paycor has been serving the healthcare community for 27 years</p>
<p>4</p>  <p>Award-winning HCM platform</p> <hr/> <ul style="list-style-type: none"> • Robust Applicant Tracking System • Time Keeping and Advanced Scheduling • Labor Tracking and PBJ Reporting • Simplified Payroll Processing 	<p>5</p>  <p>Proven track record addressing key healthcare challenges</p> <hr/> <ul style="list-style-type: none"> • Turnover, staffing, absenteeism • Certifications and compliance • Payroll complexities 	<p>6</p>  <p>Expertise at the Core</p> <hr/> <ul style="list-style-type: none"> • Dedicated healthcare implementation and client success team



Need help? Get Actionable Insights on Turnover

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