RECRUITMENT, RETENTION AND ATTRITION OF NURSING STAFF AND ITS EFFECT ON TURNOVER

Case study of Shree hospital

Dissertation submitted to the Padmashree Dr. D. Y. Patil University, Navi Mumbai Department of Business Management in partial fulfillment of the requirements for the award Of the degree of 
Master of philosophy (M.phil), (Business Management)

Submitted by Dr. Rashmi Dwivedi (Enrollment No : DYP-M.Phil-106110012)

Research Guide Dr. R. Gopal (Director, Dean and Head of department) Padmashree Dr. D. Y. Patil University, Department of Business Management Sector 4, plot No.10, CBD Belapur, Navi Mumbai 400614 May 2013
Declaration

I hereby declare that the thesis titled **Recruitment, Retention and Attrition of nursing staff and its effect on turnover – Case study of Shree hospital** submitted for the award of Master of philosophy in business management at Padmashree Dr.D.Y.Patil University, Navi Mumbai., Department of business management, is my original work and the dissertation has not formed the basis for the award of any degree, associate ship, fellowship or any other similar titles.

The material borrowed from other sources and incorporated in the thesis has been duly acknowledged.

I understand that I myself could be held responsible and accountable for plagiarism, if any, detected later on.

The research papers published based on the research conducted out of and in the course of the study are also based on the study and not borrowed from other sources.

Date :

Signature of student

Enrollment no: DYP-M.Phil-106110012
CERTIFICATE

This is to certify that the dissertation titled Recruitment, retention and attrition of nursing staff and its effect on turnover --- Case study of Shree hospital

Is the bonafide research work carried out by Dr Rashmi Dwivedi, student of M.Phil, at Padmashree Dr. D.Y. Patil University Navi Mumbai, department of Business management, in partial fulfillment of the requirements for the award of the degree of M.phil and that the dissertation has not formed the basis for the award previously of any degree, diploma, associateship, Fellowship or any other similar title.

Place -

Date -

Signature of Head of department          Signature of guide
Acknowledgement

It is an honour for me to present this thesis as an M.Phil student and greatly indebted to padmashree Dr.D.Y.Patil University Department of Business Management, which has offered me admission to M.Phil program and provided me an excellent opportunity to carry out this research project. I owe my deepest gratitude to Dr.R.Gopal, Director, Dean and HoD, Department of Business management of padmashree Dr.D.Y.Patil University, whose valuable guidance, encouragement and support throughout the course of the project which enabled me develop an understanding of the project. Without his encouragement and guidance, this project would have reached this stage. My profound gratitude and most sincere acknowledgement are extended to him for his constant encouragement and intellectual insights and also the constructive criticism that was of immense help from the outset to finale.

I would like to thank the management and employees of Shree Hospital, for their help and co-operation in collection of data for this project.

I would like to acknowledge the contribution of all those people who helped me in the one way or the other in compilation of my dissertation work especially the administrative staff and the library staff at Department of Business Management, Padmashree Dr.D.Y.Patil University.

Last but not least, I pay my deep regard to my family and the ultimate power, without whom I would not have been able to complete this project.

Thanks to one and all……..

Place:

Date:

Signature of student
PREFACE

Healthcare in recent times has gained universal recognition as an essential and desirable element in the plans and programs of social amelioration and economic progress. It has become integral to the achievement of goals of sustainable development and environment care. Sound development is not possible without a healthy population.

In a comprehensive and harmoniously integrated approach to different aspects of healthcare, following points need attention and analysis:

1) Communication needs to be improved between providers and recipients of healthcare services.

2) Ethical content and orientation of healthcare needs to be strengthened with the underpinning of supportive holistic approach.

3) Total quality management (TQM) needs to be ensured in the healthcare system.

4) Work cultures of hospitals need to be improved.

5) Promotion of compassionate healthcare environment and building of informed public opinion needs to be taken seriously.

Hence it resulted in the research work titled:

“Recruitment, Retention and Attrition of nursing staff and its effect on turnover”
RECRUITMENT, RETENTION AND ATTRITION OF NURSING STAFF AND ITS EFFECT ON TURNOVER –

CASE STUDY OF SHREE HOSPITAL
# CONTENTS

<table>
<thead>
<tr>
<th>Chapter no.</th>
<th>Contents</th>
<th>page no.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter I</td>
<td>Executive summary</td>
<td>9</td>
</tr>
<tr>
<td>Chapter II</td>
<td>Introduction of health care industry</td>
<td>25</td>
</tr>
<tr>
<td>Chapter III</td>
<td>Literature Review &amp; Research gap</td>
<td>38</td>
</tr>
<tr>
<td>Chapter IV</td>
<td>Purpose of study</td>
<td>163</td>
</tr>
<tr>
<td></td>
<td>a) Scope of study and problem statement</td>
<td></td>
</tr>
<tr>
<td></td>
<td>b) Objectives and hypothesis</td>
<td></td>
</tr>
<tr>
<td>Chapter V</td>
<td>Research Methodology</td>
<td>166</td>
</tr>
<tr>
<td>Chapter VI</td>
<td>Data Analysis</td>
<td>171</td>
</tr>
<tr>
<td>Chapter VII</td>
<td>SPSS Output</td>
<td>192</td>
</tr>
<tr>
<td>Chapter VIII</td>
<td>Validity of hypothesis</td>
<td>195</td>
</tr>
<tr>
<td>Chapter IX</td>
<td>Conclusions and Recommendations</td>
<td>197</td>
</tr>
<tr>
<td>Chapter X</td>
<td>Appendix I-Research Questionnaire</td>
<td>200</td>
</tr>
<tr>
<td>Chapter XI</td>
<td>Appendix II- Bibliography</td>
<td>205</td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY
EXECUTIVE SUMMARY

INTRODUCTION

This study shows relationship between HRM practices with nursing satisfaction. The objective of the study is to analyze the implementation of Human Resources .human resources Management function includes Job analysis, manpower planning, Recruitment, selection, Induction, training and development, performance appraisal, compensation management and industrial relation. The study has focused on 3 functions Recruitment, Retention and Attrition of nursing Staff. It has been seen in many studies in those hospitals where human resource is systematically and scientifically managed there is more of nurse’s satisfaction level rather than in those hospitals where mere cost centers that ensures the payroll is on time and leave record tracking is accomplished.

Meaning and definition

Recruitment

The process of finding and hiring the best-qualified candidate (from within or outside of an organization) for a job opening, in a timely and cost effective manner. The recruitment process includes analyzing the requirements of a job, attracting employees to that job, screening and selecting applicants, hiring, and integrating the new employee to the organization

Retention

An effort by a business to maintain a working environment which supports current staff in remaining with the company. Many employee retention policies are aimed at addressing the various needs of employees to enhance their job satisfaction and reduce the substantial costs involved in hiring and training new staff.
Attrition

Employee Retention is a systematic effort to create and foster an environment that encourages employees to remain employed by having policies and practices in place that address their diverse needs. Employers generally consider attrition a loss of valuable employees and talent. However, there is more to attrition than a shrinking workforce. As employees leave an organization, they take with them much-needed skills and qualifications that they developed during their tenure. On the other hand, junior professionals with promising qualifications can then succeed into higher level positions or business owners can introduce more diversity in experience or expertise. Accordingly, there are benefits and disadvantages to attrition.

Attrition and Turnover

There's one primary difference between attrition and turnover. Attrition the abandonment of a position due to retirement, resignation or other similar reasons. Therefore, attrition decreases the workforce, because there are no immediate replacements. Turnover, on the other hand, represents the number of employees who leave the organization, but with immediate replacements. Attrition is most often voluntary, while turnover can result from voluntary resignation or an involuntary termination, discharge or layoff.

Turnover Costs

The cost of turnover can be extremely high, depending on the value of the employee's contributions as well as his salary, benefits and incentives. Cost-to-hire estimates, which include recruiting, training and ramp-up time, can become expensive. Additional cost
include staff time for recruiters, employment specialists and hiring managers participating in the selection process. Turnover costs range from relatively small expenses, such as photocopies of employment applications and resumes, large fees, such as headhunter fees and travel expenses for candidate interviews.

**Attrition Costs**

The cost of attrition can be relatively enormous. Attrition from retirement or resignation diminishes the workforce, demanding additional work hours and dedication from remaining employees. Whereas long-term workers have established bonds with customers and clients, attrition can reduce this rapport, running the risk of losing them to a competitor. Losing clientele affects revenue, profitability and business reputation.

**Desirable Turnover**

Despite the negatives of attrition, healthy attrition -- or, desirable turnover -- can positively affect organizations. Losing employees with poor performance records can boost employee morale, employee engagement and productivity among the current workforce. Moreover, attrition can be encouraging to young professionals seeking promotion and upward mobility.

**Retirement Planning**

Employers use workforce planning to determine the timing and extent of employee attrition. Although employers avoid asking individual employees directly whether they intend to retire or resign soon, there are ways to determine which employees and how many are contemplating retirement. Conducting employee surveys is one method that can
produce aggregate, though anonymous information about employee retirement. Employee inquiries about retirement savings and company contributions are other ways to detect future departures. Employers must be careful when asking employees about retirement plans, however. Inquiring about an employee's retirement plans may cause employees to allege unfair employment practices based on age.

**Need and importance**

Recruitment and Retention: The Importance of getting it Right. There is a near-unanimous consensus that the purpose of finding and keeping the right staff is not only key to an organization’s day-to-day operation, but in reaching long-term strategic goals and meeting future skills requirements. In fact, this is one of the most heavily invested areas of any company’s operation. In these economic times, it’s alarming that the importance of recruitment and retention are often overlooked, particularly when getting it right could save 10-30% of expenditure. The 2008 CIPD Recruitment, Retention and Turnover Survey highlighted that 86% of organizations experience recruitment difficulties, regardless of their strategic approach. With the average cost of filling a vacancy over £5,000 including labour turnover costs, this means that money is being wasted. Money that could be well used in the present climate. The private sector reports labor turnover rates of 20.4% per annum. To put this in perspective, organizations are failing to keep and therefore replacing up to a fifth of their workforce every year. The cost of this is more than purely financial.

With 70% of CIPD survey respondents reporting the departure of an employee having a negative effect on business performance, surely the initial recruitment and ongoing retention of a high quality, productive and happy workforce should be of paramount
importance to a company of any size, particularly when competing with larger companies in the area to attract the best staff as an employer of choice.

The key, as in any aspect of good business, is clear strategy – getting it right first time. From the recruitment end, clarity of process is essential, as is the ability to work efficiently to achieve goals.

Every company uses experts to undertake specialist work, yet often overlook the benefits of doing so in recruitment. Whilst recruiter fees may seem expensive on the surface, once an organization’s direct and indirect costs (including management time, restricted search, advertising costs, administrative time) are calculated, use of an expert should save money and deliver improved results. This effect is more pronounced where a company undertakes their own unsuccessful and expensive recruitment exercise prior to selecting a candidate from a recruiter. This kind of inefficiency costs management and administrative time and money – both of which could be better spent on developing the existing workforce, enhancing opportunity and environment, thereby reducing staff turnover, increasing morale and in turn, productivity. There’s also a lot to be said for avoiding unnecessary distractions and focusing on what you do best. Every organization should have a clear recruitment and retention policy. Through this detailed strategic picture, the need for a focus on certain skills, pro-activity, a requirement for a flexible or temporary work-force will all be considered. Once you build this clear basic platform, you have the strategic vision to go out and procure the services you need to convey added value, deliverable and substantial cost savings and efficiency improvements. With a range of modern options available to suit all needs, both streamlined recruitment and enhanced retention are achievable aims for businesses of all sizes. The key understands your requirements. Getting it right is a mixture of strategy, policy, procurement and commercial intelligence that should be considered at the highest level. Support and consultation is available from
experts with the knowledge and experience to examine existing performance and provide the strategic tools to move forward. Effective recruitment and retention will put your business.

Attrition is not bad always if it happens in a controlled manner. Some attrition is always desirable and necessary for organizational growth and development. The only concern is how organizations differentiate “good attrition” from “bad attrition”. The term “healthy attrition” or “good attrition” signifies the importance of less productive employees voluntarily leaving the organization. This means if the ones who have left fall in the category of low performers, the attrition is considered being healthy. Attrition rates are considered to be beneficial in some ways:

- If all employees stay in the same organization for a very long time, most of them will be at the top of their pay scale which will result in excessive manpower costs.

- When certain employees leave, whose continuation of service would have negatively impacted productivity and profitability of the company, the company is benefited.

- New employees bring new ideas, approaches, abilities & attitudes which can keep the organization from becoming stagnant.

- There are also some people in the organization who have a negative and demoralizing influence on the work culture and team spirit. This, in the long-term, is detrimental to organizational health.

- Desirable attrition also includes termination of employees with whom the organization does not want to continue a relationship. It benefits the organization in the following ways:
  - It removes bottleneck in the progress of the company
  - It creates space for the entry of new talents
- It assists in evolving high performance teams

There are people who are not able to balance their performance as per expectations, lack Potential for future or need disciplinary action. Furthermore, as the rewards are limited, business pressures do not allow the management to over-reward the performers, but when undesirable employees leave the company, the good employees can be given the share that they deserve. Some companies believe attrition in any form is bad for an organization for it means that a wrong choice was made at the beginning while recruiting. Even good attrition indicates loss as recruitment is a time consuming and costly affair. The only positive point is that the realization has initiated action that will lead to cutting loss.

**Healthcare industry**

The Indian healthcare industry comprises of many segments, which include hospitals, medical infrastructure, medical devices, clinical trials, outsourcing, telemedicine, and health insurance. Its delivery market is estimated at US$ 18.7 billion and employs over four million people, making it one of the largest service sectors in the economy today. In the year 2004, total national healthcare spending had reached 5.2% of GDP, or US $34.9 billion and was expected to rise to 5.5% of GDP, or US $60.9 billion by 2009. Today, the industry has grown at about 13 per cent and is expected to grow at 15 per cent per year over the next four to five years. The growth of managed care has had major financial implications for health care delivery. One of the major implications is the quality of care which is directly affected by the quality of work life of patient care personnel (nurses) and the level of satisfaction they see in their jobs.
HRM in Health care industry

Defining human resources in health care

Within many health care systems worldwide, increased attention is being focused on human resources management (HRM). Specifically, human resources are one of three principle health system inputs, with the other two major inputs being physical capital and consumables.

Relationship between health system inputs, budget elements and three principal health system inputs: human resources, physical capital and consumables. It also shows how the financial resources to purchase these inputs are of both a capital investment and a recurrent character. As in other industries, investment decisions in health are critical because they are generally irreversible: they commit large amounts of money to places and activities that are difficult, even impossible, to cancel, close or scale down.

Human resources, when pertaining to health care, can be defined as the different kinds of clinical and non-clinical staff responsible for public and individual health intervention. As arguably the most important of the health system inputs, the performance and the benefits the system can deliver depend largely upon the knowledge, skills and motivation of those individuals responsible for delivering health services.

As well as the balance between the human and physical resources, it is also essential to maintain an appropriate mix between the different types of health promoters and caregivers to ensure the system's success. Due to their obvious and important differences, it is imperative that human capital is handled and managed very differently from physical capital. The relationship between human resources and health care is very complex, and it
merits further examination and study. Both the number and cost of health care consumables (drugs, prostheses and disposable equipment) are rising astronomically, which in turn can drastically increase the costs of health care. In publicly-funded systems, expenditures in this area can affect the ability to hire and sustain effective practitioners. In both government-funded and employer-paid systems, HRM practices must be developed in order to find the appropriate balance of workforce supply and the ability of those practitioners to practise effectively and efficiently. A practitioner without adequate tools is as inefficient as having the tools without the practitioner.

**Key questions and issues pertaining to human resources in health care**

When examining health care systems in a global context, many general human resources issues and questions arise. Some of the issues of greatest relevance that will be discussed in further detail include the size, composition and distribution of the health care workforce, workforce training issues, the migration of health workers, the level of economic development in a particular country and socio demographic, geographical and cultural factors. The variation of size, distribution and composition within a county's health care workforce is of great concern. For example, the number of health workers available in a country is a key indicator of that country's capacity to provide delivery and interventions. Factors to consider when determining the demand for health services in a particular country include cultural characteristics, socio demographic characteristics and economic factors. Workforce training is another important issue. It is essential that human resources personnel consider the composition of the health workforce in terms of both skill categories and training levels. New options for the education and in-service training of health care workers are required to ensure that the workforce is aware of and prepared to meet a particular country's present and future needs. A properly trained and competent
workforce is essential to any successful health care system. The migration of health care workers is an issue that arises when examining global health care systems. Research suggests that the movement of health care professionals closely follows the migration pattern of all professionals in that the internal movement of the workforce to urban areas is common to all countries. Workforce mobility can create additional imbalances that require better workforce planning, attention to issues of pay and other rewards and improved overall management of the workforce. In addition to salary incentives, developing countries use other strategies such as housing, infrastructure and opportunities for job rotation to recruit and retain health professionals, since many health workers in developing countries are underpaid, poorly motivated and very dissatisfied. The migration of health workers is an important human resources issue that must be carefully measured and monitored. Another issue that arises when examining global health care systems is a country's level of economic development. There is evidence of a significant positive correlation between the level of economic development in a country and its number of human resources for health. Countries with higher gross domestic product (GDP) per capita spend more on health care than countries with lower GDP and they tend to have larger health workforces. This is an important factor to consider when examining and attempting implementing solutions to problems in health care systems in developing countries. Socio-demographic elements such as age distribution of the population also play a key role in a country's health care system. An ageing population leads to an increase in demand for health services and health personnel. An ageing population within the health care system itself also has important implications: additional training of younger workers will be required to fill the positions of the large number of health care workers that will be retiring. It is also essential that cultural and geographical factors be considered when examining global health care systems. Geographical factors such as climate or topography
influence the ability to deliver health services; the cultural and political values of a particular nation can also affect the demand and supply of human resources for health. The above are just some of the many issues that must be addressed when examining global health care and human resources that merit further consideration and study.

**The impact of human resources on health sector reform**

When examining global health care systems, it is both useful and important to explore the impact of human resources on health sector reform. While the specific health care reform process varies by country, some trends can be identified. Three of the main trends include efficiency, equity and quality objectives. Various human resources initiatives have been employed in an attempt to increase efficiency. Outsourcing of services has been used to convert fixed labour expenditures into variable costs as a means of improving efficiency. Contracting-out, performance contracts and internal contracting are also examples of measures employed.

Many human resources initiatives for health sector reform also include attempts to increase equity or fairness. Strategies aimed at promoting equity in relation to needs require more systematic planning of health services. Some of these strategies include the introduction of financial protection mechanisms, the targeting of specific needs and groups, and re-deployment services. One of the goals of human resource professionals must be to use these and other measures to increase equity in their countries.

Human resources in health sector reform also seek to improve the quality of services and patients' satisfaction. Health care quality is generally defined in two ways: technical quality and sociocultural quality. Technical quality refers to the impact that the health services available can have on the health conditions of a population. Socio cultural quality
measures the degree of acceptability of services and the ability to satisfy patients' expectations.

Human resource professionals face many obstacles in their attempt to deliver high-quality health care to citizens. Some of these constraints include budgets, lack of congruence between different stakeholders' values, absenteeism rates, high rates of turnover and low morale of health personnel.

Better use of the spectrum of health care providers and better coordination of patient services through interdisciplinary teamwork have been recommended as part of health sector reform. Since all health care is ultimately delivered by people, effective human resources management will play a vital role in the success of health sector reform.

Shree hospital

Dr. Godbole's

Shree Hospital

...We Care!

a humble beginning on Dasara, 10th October, 1989 - Shree Hospital introduced the concept of Multispecialty facilities and Diagnostic services, under one roof, in Kalyan. Over the years, we have constantly strived to upgrade, enhance and expand our facilities to reach out to one and all in Kalyan. We have extended our diagnostic centers to Agra Road, Kalyan (Prasad Imaging Centre) and Khadakpada, Kalyan (Omkar Imaging Centre), in an effort to bring our diagnostic facilities nearer to your home.
We have recently renovated our entire hospital, expanding our ICU to 5 beds & upgrading our OT with state-of-the-art C-Arm and Endoscopy facility. Ours is the first Digital X-Ray Clinic in Kalyan and this facility has been extended to all our other centers.

The trust shown by all our patients, over the past many years has inspired us to dream BIG. The constant support of our team of consultants, doctors and staff has given us the strength to realize our dreams.

We believe -

Our patients are our 'Brand Ambassadors!'

Our journey continues....

Constantly striving to provide you the best

Of healthcare services!

**Objective of study**

- Examine the trends of Hr Practices in Shree Hospital.
- To find out the satisfaction levels of nursing employees as a consequence of the Hr practices of hospitals.
- To establish relationship between HRM practices and satisfaction levels.
- To make recommendations to shree hospital in order to increase the effectiveness and efficiency of HR.

**Research methodology**

Introduction–A science of studying how research is done scientifically. A way to systematically solve the research problem by logically adopting various steps. Methodology helps to understand not only the products of scientific inquiry but the process itself. Aims to describe and analyze methods, throw light on their limitations and
resources, clarify their presuppositions and consequences, relating their potentialities to the twilight zone at the” frontiers of knowledge”

The sample size for data collection is 30. the type of sampling chosen is simple random sampling as a samples are chosen randomly from given population of nursing department. Necessary care was taken so ensure the sampling remained random. the method used for data collection for the study is questionnaire and schedules. Data collected from the above exercise is fed to the Spss software and an analysis was carried on the output of the SPSS. the graphs and tables generated by software is enclosed at annexure II. The analysis was carried out separately for nursing staff and HR employees.

Simple random sampling: This type of sampling is also known as chance sampling or probability sampling where each and every item in the population has an equal chance of inclusion in the sample and each one of the possible samples, in case of finite universe, has the same probability of being selected.

**Findings**

i) Nursing staff of 0 to 5 years tenure are in large amount this shows that turnover rate is very high.

ii) Lack of systematic recruitment plan and induction programme for new employees.

iii) Salary structure is low compared to other nearby hospitals.

iv) Staff is not getting benefits which they usually get in governmental organizations like medical benefits for them and their families.

v) Lack of provident fund benefits (casual leaves/ privileged leaves) for employee’s minimum up to 5 years.

vi) Nursing staff are not satisfied by current appraisal system.
Hospital has good surroundings, healthy working environment and enough number of tools and resources.

**Purpose of study**

The purpose of study is to find out various factors that lead to development of service, quality improvement of HR services. This subject is most common in academics and corporate but very few researchers have concentrated on recruitment, retention and attrition of nursing staff. Secondly, the research focuses on various factors motivating clients towards the potential of subject.

**Organization of thesis**

This thesis has eleven chapters. Before starting with the thesis, abstract and acknowledgement is provided chapter 1 describes the “Introduction of the thesis”. It contains significance of study, purpose of study and organization of thesis. Chapter 2 related with literature review here, the previous work in the related subject is evaluated and examined. Based on this evaluation research gaps has been identified which comes under chapter 3.objective of the study, conceptual framework. Hypothesis are the part of chapter 3.chapter 4 includes methodology of the research, data collection and sources of data collection. Chapter 5 represents methodology and research gap. Data collection, data analysis, results and conclusion is covered under chapter 7.chapter 8 deals with limitation and future scope of research. After chapter 8, annexure which includes questionnaire and responses of questionnaire from 30 nursing staff. Subsequent to annexure, references are providing which include name of website, journal and other source of secondary data.
INTRODUCTION
Introduction

The Indian healthcare sector comprises of many segments, which include hospitals, medical infrastructure, medical devices, clinical trials, outsourcing, telemedicine, and health insurance. Its delivery market is estimated at US$ 18.7 billion and employs over four million people, making it one of the largest service sectors in the economy today. In the year 2004, total national healthcare spending had reached 5.2% of GDP, or US $34.9 billion and was expected to rise to 5.5% of GDP, or US $60.9 billion by 2009. Today, the industry has grown at about 13 per cent and is expected to grow at 15 per cent per year over the next four to five years. The growth of managed care has had major financial implications for health care delivery. One of the major implications is the quality of care which is directly affected by the quality of work life of patient care personnel (nurses) and the level of satisfaction they see in their jobs. Staffing levels of patient care personnel in hospitals comprise of registered nurses, licensed practical nurses, and unlicensed assistive personnel. However, the proportion of these nurses varies, and is usually adjusted to reduce the overall cost of patient care. But the fact is that, on an average, minimum nurse-to-patient ratios for the day shift of typical medical-surgical nursing units rage between 1:4 and 1:10. Apart from the number of nurses employed, cost reduction techniques also include the kind of facilities and work life provided to nurses on duty in hospitals. Ideally, this ratio should increase, but in order to have efficacious and cost-effective nursing staff, it becomes important to provide a congenial working environment, fair and equitable compensation, safety and healthy work place, personal and professional development, job security, ethical organizational actions, employee privacy issues, constitutionalism and supportive work culture. Provision of all these facilities will improve their quality of work life which in turn will boost their level of job satisfaction. The quality of service provided by the hospitals is of utmost importance for improving its in-patient rate and the nurses in
the hospitals play a vital role maintaining this level of service. So in order to improve the quality of its service and organizational effectiveness hospitals must ensure high commitment from its patient-care personnel which is derived if they experience a sense of job satisfaction that is directly affected by their Quality of Work Life (QWL). Thus, in the present paper, the key providers of improving organizational performance of hospitals, that is, nurses, have been studied in the context of their QWL (Quality of Work Life) and resultant job satisfaction, at few sample private and government hospitals of Ahmadabad.

Nurse’s recruitment, retention and attrition are complex issues. Nurses are considered as the core of care and vital role in health care system. According to Institute for Health care Improvement (IHI), hundreds of hospitals in India have struggled against nursing shortage. Dynamic health workforces are current issue for leadership and management in nursing. Nurse Leaders and managers have the responsibility to manage limited resources, including human resources related to nursing service. In the history of nursing profession the crisis of nurses’ turnover remains a serious problem.

The turnover is caused by many factors including worker’s value systems and work environments. Nurse’s recruitment and retention strategies are areas that have not been studied broadly. To minimize the turnover is a priority for nurse administrators who face continuously this problem at their workplace. This thesis will focus on description, analysis of issue through literature review, management along with leadership theory and recommendations to increase employee’s retention.
**Retention**

An effective Employee Retention Program is a systematic effort to create and foster an environment that encourages employees to remain employed by having policies and practices in place that address their diverse needs. The way it was in the past, New York State jobs were considered desirable and sufficient candidates could be found to fill most critical jobs. Moreover, once employed, workers would often spend their entire careers in State service. In areas where there was turnover, new employees could be recruited easily. The way it is...today there is a high demand in the public and private sectors for workers in critical areas such as health care, information technology, engineering, and auditing. The supply of qualified workers is limited and good workforce planning requires a twofold approach of aggressive recruitment and innovative retention strategies. Retention policies need to focus on elimination of unwanted turnover.

**Attrition**

This threat to internal validity refers to the differential and systematic loss of participants from experimental and control groups. In essence, participants drop out of the study in a systematic and nonrandom way that can affect the original composition of groups formed for the purposes of the study (Beutler & Martin, 1999). The potential net result of attrition is that the effects of the independent variable might be due to the loss of participants and not to the manipulation of the independent variable. Commentators have noted that this threat to internal validity is common in longitudinal research and is a direct function of time (Kazdin, 2003c; Phillips, 1985). In general, attrition rates average between 40 and 60% in longitudinal intervention research, with most participants dropping out during the earliest stages of the study (Kazdin). Attrition applies to most forms of group and single-case designs and can be a threat to internal validity even after the researcher has randomly
assigned participants to experimental and control groups. This is because attrition occurs as the study progresses and after participants have been assigned to each of the conditions. Attrition raises the possibility that the groups differ on certain characteristics that were originally controlled for through randomization. In other words, the remaining participants no longer represent the original sample and the groups might no longer be equivalent. Let’s consider an example. A researcher decides to conduct a study of the effectiveness of a new drug on symptoms of anxiety. Randomization is used to assign participants to either a medication (i.e., experimental) group or placebo (i.e., control) group. Let’s assume that over the course of the study, participants in the experimental group experience some relatively severe side effects from the medication and an increase in anxiety, causing some to drop out of the study. The placebo group does not experience the side effects, so the dropout rate is lower in that group. The average anxiety levels of the two groups are compared at the conclusion of the study, and the results suggest that the participants in the medication group are less anxious than those in the placebo group. The results seem to support the conclusion that the medication was effective for the treatment of anxiety. The problem with this conclusion is that the results are potentially confounded by attrition. If no study participants had dropped out of the medication group, it is likely that the results would have been different. In this example, notice that attrition was still a factor after randomization and that the final sample was probably very different from the original sample used to form the experimental and control groups.
**Turnover**

Huber, (2006) defines turnover as “the loss of an employee due to transfer. Similarly Mrayyan , (2005) adds that “ the number of resignation or termination divided by the average of direct or indirect care of registered nurses full-time equivalent position for the same year” Moreover Sullivan& Decker (2004), declare that term turnover means when number of staff vacate a position. The employees choose to leave voluntarily. It is also defined as a situation in which employee quit job weather it is dysfunctional or functional.

**Unwanted turnover is expensive**

Costs to the employer can include separation benefits, lost productivity, recruitment costs, training costs, and diminished services as new employees get up to speed. In their book, Retaining Valued Employees, Griffeth and Hom report that turnover costs run as high as 200 percent of the exiting employee’s salary, depending on his other skill level. According to the newsletter of the International Association of Professionals in Employment Security, “When a valuable employee leaves, it costs the Employer money - possibly up to a third of the employee’s annual salary.”

An effective Employee Retention Program is a systematic effort to create and foster an environment that encourages employees to remain employed by having policies and practices in place that address their diverse needs. The way it was...in the past, New York State jobs were considered desirable and sufficient candidates could be found to fill most critical jobs. Moreover, once employed, workers would often spend their entire careers in State service. In areas where there was turnover, new employees could be recruited easily. The way it is...today there is a high demand in the public and private sectors for workers in critical areas such as health care, information technology, engineering, and auditing. The supply of qualified workers is limited and good workforce planning requires a twofold approach of aggressive recruitment and
innovative retention strategies. Retention policies need to focus on elimination of unwanted turnover.

Unwanted turnover is expensive. Costs to the employer can include separation benefits, lost productivity, recruitment costs, training costs, and diminished services as new employees get up to speed. In their book, *Retaining Valued Employees*, Griffeth and Hom report that turnover costs run as high as 200 percent of the exiting employee’s salary, depending on his or her skill level. (1) According to the newsletter of the International Association of Professionals in Employment Security, “When a valuable employee leaves, it costs the employer money - possibly up to a third of the employee’s annual salary.” (2) Differences between the two estimates may be due to the worker groups.
Organizational chart

Governing board

Executive committee

Director

Administrative committee

Medical Supdt.    Nursing Supdt.    General Supdt.    Financial controller
**Classification of hospitals**

A hospital has been classified in many ways. The most commonly accepted criteria for the classification of the modern hospitals are:(a) length of stay of patients(long term or short term)(b)clinical basis ,and(c)ownership control basis

**Classification according to ownership/control**

On the basis of ownership or control, hospitals can be divided into four categories, namely, public hospitals, voluntary hospitals, private nursing homes and corporate hospitals.

**Public hospitals** - public hospitals are those run by central government, state government or local bodies on non-commercial lines. These hospitals may be general or specialized hospitals or both. General hospitals are those which provide treatment for common diseases whereas specialized hospitals provide treatment for specific diseases like infectious diseases, cancer, eye diseases, psychiatric ailments etc. General hospitals can diagnose patients suffering from infectious diseases, but refer them to infectious diseases hospitals for hospitalization, as general hospitals are not licensed to treat infectious disease patients.

**Voluntary hospitals** - voluntary hospitals are those which are established and incorporated under the societies Registration act,1860 or public trust act,1882or any other appropriate act of central and state government. They are run with public and private fund on a non-commercial basis. On part of the profit of the voluntary hospital goes to the benefit of any member, trustee or to any other individual. Similarly no member, trustee or any other individual is entitled to share in the distribution of any of the corporate assets on dissolution of the registered society. A board of trustees, usually comprising prominent
members of the community and retired high officials of the government, manages such hospitals. The board appoints an administrator and a medical director to run such voluntary hospitals. The main source of their revenue are public and private donations, and grants-in-aid from a central government. thus voluntary hospitals run on a “no profit and no loss basis”

**Private nursing homes** - Private nursing homes are generally owned by an individual doctors or a group of doctors. They admit patients suffering from infirmity, advanced age, illness, injury, chronic disability, etc, or those who are convalescing, but they do mental illness. these nursing homes runs on commercial basis however, the ordinary citizen cannot usually afford to get medical treatment there, however these nursing homes are become more popular due to shortage of government and voluntary hospitals

**Classification according to length of stay**

A patients stays for a short term in a hospital for a treatment of diseases such as pneumonitis, appendicitis, gastroenteritis, a patient may stay for a long term in a hospital for a treatment of diseases such as -:

Tuberculosis, cancer, schizophrenia, etc therefore, hospital may fall either under the category of long term or short term (also known as chronic-care or acute care hospital) according to the disease and treatment provided.

**Classification according to Clinical Basis**

A clinical classification of hospitals is another basis for classification of hospitals. Some hospitals are licensed as general hospitals while others are specialized hospitals. In general hospitals, patients are treated of all types of diseases such as pneumonitis, typhoid, fever
etc but in specialized hospitals patients are only treated for heart diseases, tuberculosis, cancer etc

**Types of hospitals**

i) General hospitals-all establishment permanently staffed by at least two or more medical officers, which can offer in-patient accommodation and provide active medical and nursing care for more than one category of medical discipline

ii) Rural Hospital-Hospitals located in rural areas permanently staffed by at least one or more physicians, which offer in-patient accommodation and provide medical and care for more than one category of medical discipline

iii) Specialized Hospitals-hospitals provide medical and nursing care primarily for only one discipline or specific diseases. The specialized departments, administratively attached to general hospital and sometimes located in an annexed or separate ward, may be excluded and their beds should not be considered in this category of specialized hospitals.

iv) Teaching Hospital-A hospital to which a college is attached for medical/dental education.

v) Isolation Hospital-This is the hospital for care of the persons suffering from infectious diseases requiring isolation of the patients.

vi) Tertiary hospital-state and central governments set up tertiary hospitals in their capitals where patients are treated like AIIMS.

**Types of management**

I)Central Government/Government of India-all hospitals administered by the Government of India viz hospitals run Railways,milatry/defence,mining/ESI/post&telegraphs,public sector undertakings of central government Hospitals

34
i) State government-All hospitals administered by state government authorities and public sector undertakings operated by states/uts, including the police, jail, canal departments and others.

ii) Local bodies-All hospitals administered by local bodies, viz. the municipal corporation, municipality, zilaparishad and panchayat.

iii) Private-all private hospitals owned by an individual or by a private organization.

iv) Autonomous body-all hospitals established under a special act of parliament/state legislation and funded by the central/state government/UT eg. AIIMS.

v) Voluntary organization-All hospitals operated by a voluntary body/a trust/charitable society registered or recognized by the appropriate authority under central/state governments laws. This includes hospitals runs by missionary bodies and co-operatives.

vi) Corporate body-a hospital run by a public limited company. Its share can be purchased by the public and dividend distributed among its shareholders.

**Functions of hospitals**

1) To provide care for the sick and injured-this can be done by accommodating them according to their physical and financial status. There may be some patients who may require isolation but the building should be kept always in good state of repair, pleasing appearance and providing the patient every mental and physical comfort. There should be sufficient diagnostic and treatment facilities.

2) Training of physicians, nurses and other personnel’s-hospital must employ highly trained personnel’s so that they may train others. Different association and councils play very important role they make surveys of hospitals accord their approval.
3) Prevention of disease and promotion of health—it is a duty of hospital to co-operate with government agencies. They can treat patient of communicable and non-communicable disease, notify to the recognized authorities of any communicable disease of which it has knowledge, assist in vaccination programme of the government etc.

4) Advancement of research in scientific medicine—it is an important function but no hospital is permitted to do direct experiments on patients. It must resort to necessary tests in laboratories and on animals. They can do so by making observations of functions of body in health and in disease but they will have to maintain clinical records of patients accurately for which they have to engage qualified and trained medical record technician who will preserve the record in such a manner that it can be made available to study for physicians and surgeons.

Features of Hospital:- Peculiarities associated with hospitals

1) Vast range of services It includes medical research, improved surgical techniques, knowledge & application of newer fields.

2) Changing patient profile consist of different types of diseases requiring wide range of services. High cost both above factors have resulted in steep increase in expenditure for starting and running a hospital.

3) Increase use of sophisticated equipment- Sophisticated equipment increase the cost of operating.

4) Critical role of employees

Hospitals are labor intensive. Good quality health care requires expert and experienced medical and Para-medical staff.

5) Public perception of medical services
Public continues to look upon hospitals as institutions meant to provide their service to the society as cheaply as possible.
LITERATURE

REVIEW
Employees in service-based industries strongly influence customer satisfaction. As the India and other advanced economies continue to shift from manufacturing to information and service based industries, employees take on an increasing role in driving organizational performance. One of the most important ways that employees affect performance is in their interactions with customers accordingly, it is vital that companies understand concepts such as employee engagement and satisfaction and how the levels of engagement and satisfaction relate to customer satisfaction and overall customer experiences. While many industries (e.g., food service, financial services, retailing) operate in situations where employees play important roles in the product/service exchange, one of particular interest is the health care industry. As the United States population ages, the health care industry continues to grow in size and importance; now representing 17% of GDP. The resulting demand for health care services and a relative shortage of some health care professionals makes it difficult for hospitals and other health care providers to provide consistently high levels of care. Health care administrators find themselves increasingly confronting the complex interrelationship between recruitment and retention of health care professionals, and the quality of care and patient satisfaction experiences. The situation is particularly acute for nursing where global labor nursing shortages exist (Newman, et al., 2001). Additionally, health care organizations are increasingly concerned with looking beyond financial performance measures, while focusing on how to deliver higher quality care (Love et al., 2008). While some improvements in care quality can be reached through investments in technology and infrastructure, the most dramatic improvements are achieved through people. Previous
studies have concluded that unsatisfied health care employees negatively affect the quality of care which adversely affects patient satisfaction and loyalty to a hospital (Atkins, et al, 1996; Fahad Mailam, 2005). One would expect that increasing the engagement of employees may benefit a health care organization and result in improved patient care and higher patient satisfaction. The key question of interest is how service-based organizations determine their level of employee engagement and what impact it has on patients. In order to answer this question, we conducted an exploratory study to investigate the relationship between employee satisfaction and patient satisfaction at a major hospital in New York City. Exploring the relationship between employee and patient experiences in a hospital presents several benefits: People - including doctors, nurses, administrators, and staff - play a crucial role in the service delivery process. These individuals perform duties that directly and indirectly influence the quality of patient care and satisfaction. Nursing staff in particular are involved with patients on a daily, and sometimes hourly, basis. Administrative procedures in place facilitate the collection of data on patient experiences (through a check-out survey for all patients) as well as annual employee surveys. Hospitals are large, diverse organizations with numerous departments that often dramatically differ from each other in size, function, and performance quality. This study uses department level data drawn from throughout the hospital.

Method As noted, this exploratory study explores the relationship between employee satisfaction and patient satisfaction in a major New York City Hospital. Our approach involves a review of current literature on health care performance, primary data collection through an online forum and interviews with key hospital staff, and an empirical analysis of employee and patient satisfaction data. The literature review, which focuses on employee engagement, employee satisfaction, and patient satisfaction in health care settings, provides a foundation for the key people related issues in health care.
Empirically, our primary objective is to assess the relationship between employee satisfaction and patient satisfaction. While we limit our analysis to a health care setting the concepts discussed here can be applied to other service- or people based industries. In addition to our primary objective, this exploratory research will help: Provide an assessment of the kinds of metrics useful for evaluating employee engagement and satisfaction Establish a starting point for connecting employee engagement to employee performance, as measured by a dashboard of behavioral and outcome metrics based on patient experiences and satisfaction Make preliminary recommendations for practices that the hospital may undertake to improve employee performance and patient experiences Provide guidance for a long-term, more extensive data collection and analysis techniques to more deeply explore the extent to which employee engagement affects performance and the aspects of engagement issues that have the greatest impact on employee retention and service quality

✈ Part 1: Literature Review

The first part of the study involves a review of over 40 studies on “employee engagement,” “employee satisfaction,” and “patient satisfaction” specific to the health care industry. This review provides initial insights into the possible relationship between these constructs at a health care organization. Over the years much research has looked at the areas of customer satisfaction and employee satisfaction. Recent research has put even more of an emphasis on how human resource management practices such as employee engagement, recognition programs, and internal marketing efforts can increase employee satisfaction and retention. Fewer studies demonstrate the need for health care administrators to take a closer look at human resource management practices of their organization and efforts to improve the quality of care by changing employee engagement, satisfaction, and loyalty. While relatively few academic studies in the health care industry
appear to exist which look at the connection between employee satisfaction and patient satisfaction, those that do look at this topic show a relationship exists. Many health care administrators are increasingly showing concern for delivering high quality care in which both the customer (patients) and providers (employees) are satisfied while maintaining a strong financial environment (Love et al., 2008). This represents a shift in management theory from the 1990s when cost cutting and the bottom line nominated concerns in the health care industry (Brown 2002).

In this review of academic literature, we focus on the impact of human resource management practices such as employee engagement and empowerment on employee satisfaction and retention, and ultimately how these might impact patient satisfaction. Newman et al. (2001) outlined how these interrelated issues affect one another based on a review of literature on nurse recruitment and retention, service quality, and human resource management. Newman shows a chain of connectivity such that (a) internal conditions and environment affect (b) the service capability of staff which influences (c) nurse satisfaction which, in turn, affects (d) retention of nurses. All of those factors can reduce (e) quality of patient care and (f) the level of patient satisfaction. In other words, health care organizations that provide a good working environment which enhances the service capability of staff through empowered decision making will lead to more satisfied nurses who are more likely to remain loyal to the organization and provide a higher level of care resulting in higher patient satisfaction. Organizations that desire to improve patient satisfaction must therefore be concerned about internal issues related to employee satisfaction and view their employees as customers too. A connection appears to exist between how engaged an employee is with the employee’s role in the patient care process and the level of patient satisfaction. This interrelationship affects not only satisfaction levels but also patient loyalty and financial performance.
Defining Employee Engagement

A variety of definitions exist for “employee engagement.” Gibbons (2006) reviewed research on employee engagement and determined several different definitions. Additionally, the review showed that previous studies covered 20 key drivers of employee engagement. A blended definition created by Gibbons defines employee engagement as:

“A heightened emotional connection that an employee feels for his or her organization, that influences him or her to exert greater discretionary effort to history her work.”

Effects of Employee Engagement, Employee Engagement Empowerment” Managers in all industries have made employee engagement a hot button issue because of growing evidence that engagement has a positive correlation with individual, group, and organizational performance in areas such as productivity, retention, turnover, customer service, and loyalty (Ketter, 2008). The health care industry is no exception to this phenomenon in human resource management theory and practice. Nursing shortages in particular have helped make engagement an important topic in this industry. With regard to health care specifically, research has frequently uncovered a lack of loyalty to the organization and the nursing profession (Brown 2002). Brown noted that nurse administrators face the challenge of repairing “broken” relationships with nurses because of changes in management policies over time. During the 1990s, health care organizations tried to adopt cost cutting strategies employed by many other industries, thereby taking the focus away from the quality of care to patients. This conflict ultimately left nurses feeling disengaged and underpowered in their roles in delivering patient care and at odds with the financial performance initiatives of health care administrators (Brown 2002). Research has shown, as expected, that when employees are disengaged in their jobs they are more likely to leave because they feel unappreciated (Fukuyama 1995). Further compounding this issue, surveys with nurses have indicated that they exhibit loyalty to patients but often
do not feel the same level of loyalty to their employer because they feel hospital executives are not in touch with the demands of patient care (Curran, 2001). These findings highlight the importance of creating engaged employees and the important role of administrators and other leaders in this process.

The increased interest from health care administrators also stems from the belief that high turnover rates and the lack of commitment negatively affect the provision of care and ultimately the financial performance of organizations (Morrison, et al. 2007). This viewpoint helps show why hospitals are increasingly interested in determining effective ways to engage employees better. Saks (2006) was one of the first to note the important distinction between job engagement and organizational engagement. He determined that perceived organizational support predicts both job and organization engagement. Healthcare organization need to find ways to address these internal marketing issues at both the job and organizational levels. While employee engagement and recognition programs have always been important to administrators, it is only recently that these practices have seen an increased level of interest in health care because the employee’s role in patient care is more evident when considering the scarce resources of hospitals and the overall shortage of nurses (Freed, 1999). So how can health care organizations change employee engagement at these two levels? Thomas (2007) defines engagement as “a state of aroused, situation specific motivation that is correlated with both attitudinal and behavioral outcomes.” Management and organizational culture, along with empowering employees appear to be three of the biggest factors in employee engagement levels. Cathcart (2004) showed that span of control had some effect on employee engagement and that adding management positions to reduce the span of control helped increase employee engagement scores. Other studies have shown workplace culture, organizational communication and managerial styles, trust and respect, leadership, and company
reputation all influence employee engagement (Lockwood, 2007). Specifically, high involvement work practices may enhance the financial performance of health care organizations (Huselid, 1995 and Harmon, al, 2003). Elements that appear to account for differences in empowerment and job satisfaction scores of nurses include: (1) greater accessibility of nurse leaders, (2) better support of clinical nurse autonomous decision making by nurse leaders, and (3) greater access to work empowerment structures such as opportunity, information, and resources (Upenieks, 2003). These findings suggest that hospitals that have highly accessible leaders, provide support for autonomous decision making, and provide access to empowerment structures have a greater likelihood of increasing employee satisfaction.

- Article 1

How HRM practices of Engagement, Empowerment, and Others Impact Employee Loyalty & Satisfaction

Summary Several studies have shown how employee empowerment and engagement impact employee satisfaction and loyalty to the organization. Health care organizations that routinely achieve high employee satisfaction scores tend to have the following in common (1) accessible leadership, (2) frequent communication, and (3) employees are empowered to satisfy patients (Fassel, 2003). Internal marketing efforts have been shown to develop better relationships between employees and their organizations while increasing satisfaction and retention. Peltier et al. (2003) determined that structural bonds followed by social and financial bonds have the most impact on nurse loyalty. A 2004 study by Peltier et al. Determined these three types of bonds influence not only loyalty to the organization, but nurse satisfaction as well. A 2007 follow-up study by Peltier et al. Determined that quality of care most impacted nurse satisfaction followed by the three types of bonds from the 2003 and 2004 study.
A study of nurses and midwives in London hospitals determined that the three main factors influencing their job satisfaction were patients, the inherent characteristics of nursing, and the nursing team (Newman, et al. 2002). Additionally, Newman, et al. found that improving working conditions was more important than increased pay. This seems to be in line with Peltier et al.‘s findings that structural and social bonds were more important than financial bonds from an internal marketing perspective. While pay for performance activities may lead to increased satisfaction and higher quality of care, these types of reward systems tend to be short-lived in comparison to other recognition or engagement programs. Additionally, by allowing employees to provide higher quality care to patients, the employees tend to take greater pride in their job and feel good about the organization and its values. Freed (1999) also notes the importance of sustaining engagement, something that will help have a long-lasting impact on employee satisfaction and the delivery of high quality care, other ways in which empowerment and engagement increase satisfaction and loyalty include:

- **Reduced Job Stress & Turnover**

  Empirical research has shown a negative relationship between empowerment and job stress, suggesting that as employees are more empowered their job stress decreases (Joiner and Bartram, 2004). In addition to stress, increased employee satisfaction helps reduce employee turnover, leaves of absence, and lower work-related disability and violence claims (Harmon, et al., 2003). Morrison, et al. (2007) outlined several ways in which the lack of engagement and high turnover rates impact health care organizations. Some of these factors include turnover costs, which according to Waldman & Kelly (2004) range between 3.4% and 5.8% of their operating budget. High turnover rates are also thought to lead to higher discharge costs according to JCAHO (2005) so there are financial concerns to administrators beyond just recruitment and retention costs. Plus when employees feel
unsatisfied and unappreciated and leave the organization this puts higher workloads and stress levels on those who remain and ultimately further drives down satisfaction for both employees and patients (Fukuyama, 1995).

Leads to Active Role in Decision Making, Feelings of Support & Accomplishment Organizations that promote employee empowerment can help nurses take a more active role in daily care decisions, which is believed to enhance employee satisfaction (Berlowitz et al., 2003). When employees are more active in decision making not only in nursing practice and unit management but also patient care, they feel more engaged which leads to higher satisfaction and lower turnover rates. Changes in the perception of employee empowerment appear to have long-lasting positive effects on employee satisfaction. Laschinger, et al. (2004) suggests that changes in access to structural empowerment impacted staff nurses’ feelings of psychological empowerment and satisfaction with their jobs over a three-year time frame. Nurses at magnet hospitals experience higher levels of empowerment and job satisfaction due to greater access to work empowerment structures when compared with nurses from non-magnet hospitals (Upenieks, 2003). Consistent with Shortell et al. (1995), Berlowitz et al. (2003) determined that employees of nursing homes where Quality Improvement (QI) practices were adopted exhibited significantly higher job satisfaction than others due to empowerment to take a more active role in daily care decisions. In other words, by empowering employees to make decisions, hospitals can increase employee engagement and in turn employee satisfaction. The impact of empowering work conditions may play an even more important role at the middle level of nurse management. Patrick and Laschinger (2006) concluded that their findings support Kanter’s contention that empowering work conditions have a significant impact on feelings of support and sense of accomplishment at work which may play an integral role in middle management retention and attracting nurses to management positions. Conversely, this would suggest
that organizations that do not foster employee empowerment may experience problems retaining and attracting middle level managers

**Better Relationships with Management**

Wagner (2006) determined that a primary factor in employee’s satisfaction and loyalty to that employer is the employee’s relationship with his or her immediate supervisor. This finding further demonstrates the need for health care administrators to be concerned with employee satisfaction as hospitals face nursing shortages. It also is in line with Curran’s (2001) findings that nurses indicated management that is out of touch with the realities of patient care lead to lower nurse satisfaction and loyalty. The quality of relationships including communication between management and employees not only impacts the employees themselves but also has an impact on organizational effectiveness by affecting productivity and turnover rates (Brunetto andfarr-Wharton, 2006). When management helps an employee feel engaged and offers them the support and resources necessary to provide quality patient care, employees are not only more satisfied with their employer but also remain more loyal. While many studies show that engagement and empowerment in health care settings can lead to greater job and organizational satisfaction, not everyone has found a connection between the two. Suominen, et al. (2006) determined that based on their study of a multidisciplinary teammate the Rheumatism Foundation Hospital in Finland, job satisfaction is not related to any of the fields of empowerment. While this differs from previous studies, it does raise the question of when and how does empowerment and engagement impact employee satisfaction. More relevant to the current research is how does employee satisfaction impact patient satisfaction?

**Effects of Employee Satisfaction on Patient Care and Patient Satisfaction**

Nurse and other health care employees’ satisfaction have been found to have several impacts on the quality of care delivered which ultimately influences the level of patient 11
satisfaction. Newman et al.’s (2001) chain outlines a clear interrelationship between employee satisfaction, the quality of care, and patient satisfaction. Atkins et al., (1996) showed that employee dissatisfaction negatively impacts the quality of care and ultimately has an adverse effect on patient loyalty and in turn hospital profitability. Quality improvement initiatives were shown to have a positive correlation with employee satisfaction as well as client satisfaction in a study of Swedish healthcare (Kammerlind, et al, 2004). Health care employee morale also demonstrates a strong correlation with patient satisfaction scores, showing that the lack of commitment and engagement have far-reaching impacts on more than just employee turnover (JCAHO 2005). Ott and van Dijk (2005) provide a unique study which combined data on employee and client satisfaction. Their findings suggest that employees’ satisfaction with their organization is a better predictor of client satisfaction than employees’ job satisfaction. The authors suggest that based on their findings, job-related training is the activity most relevant for client satisfaction, despite showing no relation with job satisfaction. Their study also demonstrated the volatile relationship between employee and client satisfaction which can be in conflict. For example, while employees are more satisfied when they have regular work schedules this decreases client satisfaction as employees are deemed less available to patients. This shows that employee and patient satisfaction are related, but sometimes at conflict with each other. Employee satisfaction also appears to have a strong relationship with the quality care delivered and related costs. When employees are more satisfied it helps reduce stress, turnover, leaves of absence, and lower work-related disability and violence claims (Harmon, et al, 2003; Joiner and Bartram, 2004). All of these factors help increase the level of care given to patients. Nurses who are satisfied with their jobs exhibit higher levels of patient safety and less medication errors which help increase patient satisfaction (Rathert and May, 2007). Satisfied employees also were found to lead to
shortened lengths of stay for patients and lower variable costs (Harmon, et al., 2003; Karasek 1990). The reductions in recruitment and retention costs and fewer employees missing work combined with lower patient variable costs and mistakes make improving employee satisfaction more appealing to administrators. According to Fahad Al-Mailam (2005), quality leadership in health care organizations helps foster an environment that provides quality care which is linked with patient satisfaction. Organizations who seek to improve patient satisfaction and encourage return visits or customer loyalty should focus on improving the quality of care. As many studies suggest, quality leadership that provides empowering work environments are more likely to result in engaged employees and tend to be the most successful at increasing the quality of care provided. This again gets at the point that management plays an integral role in the level of care provided even when they are not directly involved. The concept of internal marketing in the health care sector suggests that the best way to satisfy patients is by viewing employees as internal customers and that by understanding and meeting employees’ needs, wants, expectations, and concerns their level of satisfaction will increase thereby leading to better quality of care and higher patient satisfaction (O’Neill, 2005; Bitner et al., 1990; Hesket et al., 1997; Testa et al., 1998). A relationship marketing approach to HR practices is one way health care organizations can overcome the global problem of nursing shortages. The findings from Peltier studies (2003, 2004, and 2007) suggest that by focusing on improving the quality of care, health care organizations can not only improve patient satisfaction, but also improve employee satisfaction and loyalty to the organization. This in turn will further impact the quality of care because of the interrelationship of this chain provides a summary of the effects of higher employee engagement on three areas reported in the literature review: (1) Employees, (2) Patients,
and (3) Organizational Financial provides a list of recommended methods for improving engagement in health care settings from the literature review-

- Effects of Higher Employee Engagement Levels on Employees
- Effects of Higher Employee Engagement & Satisfaction on Patients
- Effects of Higher Employee Engagement/Satisfaction on Financial Performance
- Improves employee productivity-Improves relationships with management
- Reduces job stress
- Increases employee satisfaction
- Increases retention & turnover
- Improved care quality
- Increased patient satisfaction
- Increased patient loyalty
- Lower employee recruitment/retention and training costs
- Higher patient loyalty to organization
- Possibly lower costs related to the delivery of patient care (because of shorter patient stays)

- Empowerment in decision making
- Management accessibility & leadership styles
- Recognition programs
- Workplace culture
- Organizational communication
- Trust & respect
- Company reputation
- Access to resources, training, information, & opportunity

Part 2: Empirical Research
To understand how employee satisfaction and patient satisfaction are linked, we conducted an empirical study at a major public hospital in New York City. The hospital is located in an urban, residential environment and features an extensive ethnic diversity among employees and patients. The empirical research consisted of two components. First, we established an advisory committee that participated in an online forum about their exceptions about the quality of service and the motivation, satisfaction and performance of employees. Secondly, we conducted quantitative analysis that matched employee satisfaction survey data with patient satisfaction survey data to assess the relationship between employee satisfaction and patient experiences.

- Online Forum

The online forum featured 31 members of an advisory committee that agreed to contribute perspectives about employees in the hospital. That committee was formed specifically for this research project and consisted of a variety of administrators and managers who were selected because of their administrative positions and knowledge about hospital personnel and operations. The forum covered topics such as (a) Definitions of employee engagement, (b) ways in which the hospital has been strong or weak in motivating involvement, effort, loyalty, and retention, (c) engagement strategies used by the hospital, and (d) the perceived quality of patient care and its impact on patient satisfaction. Participants answered open-ended questions about these topics and were able to review and comment on responses posted by other participants.

**Defining “Employee Engagement” at the Hospital**

Summary As noted previously, past studies on “employee engagement” have used varying definitions and identified over 20 different key drivers of engagement (Gibbons, 2006). The advisory committee provided a definition of employee engagement at the hospital.
Based on individual responses, the following blended definition was created for employee engagement at the hospital:

❖ “An engaged employee at the hospital takes pride and makes a personal commitment to their job, organization, and patient. An employee feels more engaged when they (a) participate in meetings and the decision making process, (b) believe their input is used/considered by management, (c) have a good understanding of the organization’s values, missions, and operating procedures (d) understand how they contribute to the success of the organization (e) care about the success of the organization.

❖ Increasing Employee Loyalty & Retention and Motivating Involvement & Effort.

❖ The hospital’s engagement advisory committee identified ways in which the organization is strong and weak in the areas of employee loyalty and retention as well as motivating involvement and effort. Ways to improve loyalty and retention as well as involvement and effort were discussed for different groups including nurses, physicians, administrative staff, and non-clinical and service staff. The responses indicate that participants believe a more involved employee who puts forth more effort is more likely to remain loyal to the organization. Table 3 highlights self reported “best practices” at the hospital as well as self reported ways to improve in these areas.

**Increasing Loyalty & Retention and Motivating Involvement & Effort –**

“The hospital has many long term employees. These employees feel engaged in the unit they work and feel proud to work for [the hospital].” Messages from the top of the organization stress the importance of all employees in providing a valued high quality service to the patients served.” “Many of our employees have been employed by the hospital for years because they enjoy their work and the friends they have made over the years.” “Getting people to interact with each other develops relationships and through them comes an understanding of the work that others do, and its importance, and your own
connection with them.” “I think this place has generally had a family feeling about it for a lot of people. A lot of people like being here because of the warm feeling and have gotten to know a lot of people. Despite being a major medical center it almost feels more like a small community hospital.”

Hospital’s “Best Practices” Ways to Improve

Recognition of employee milestones/accomplishment  Better communication of goals, decisions, and between departments  Family-like atmosphere among long-term employees (good co-worker relationships)  Financial bonds including salary/pay and benefits  Empowerment/Involvement in decision making  Continue to improve work relationships, especially between supervisors and their departments and between physicians and nurses

**Role of Physicians in the Level of Engagement of nursing staff**

In general, the advisory committee believes physicians have a major impact on the level of engagement on nursing staff through the way they interact with hospital employees. Physicians who are disrespectful to non-physician staff, make negative comments, or treat the patient as if they are a “non-human intangible entities” lead to reduced engagement in non-physician staff. These perceived negative interactions reflect the importance of co-worker relationships in motivating employee engagement and performance. When an employee feels like a valuable team member and, feels respected by others, higher levels of engagement and performance are likely.

**Role of Supervisors on the Level of Employee Engagement**

Similarly, supervisors or managers also have a great impact on employee engagement as exemplified by the following two comments from advisory committee members:

*Physician (Co-Worker) Impact on Engagement Level – Examples of Advisory Committee Comments* • “I think that the nursing staff needs to feel supported in their
efforts to provide quality service to our patients. The nursing staff is large responsible for the patients and their opinion needs to be requested and respected.” “Physicians play an important role in the engagement. The way physicians work with staff and conduct themselves has a big impact. Most of the staff have a great deal of respect for the physicians and recognize their authority. However, bad behavior impacts morale and attitude toward work.” “Leaders play the biggest role in motivating involvement and effort through developing relationships with those under their direction. It is important that training for leaders helps them gain a better understanding of how important their relationship is. In my opinion, more staff leaves because they are unhappy with leadership.” “They [leaders/supervisors] are the most important piece because people have to interact with supervisors every day. If the supervisor is someone they don’t like, it makes them miserable and, less likely to enjoy their job. If it is someone they respect, it makes them like their job better.”

**Perception of How Employee Engagement Affects Care Quality and Patient Satisfaction**

The consensus from the advisory committee at the hospital is that the level of employee engagement has been high and has had a positive impact on the quality of care and patient satisfaction. The belief, shared by many on the committee, is that employees who are engaged tend to work harder for the patient and patients are more satisfied with the quality of care they receive. Several advisory committee members questioned the efficacy of engagement initiatives that had been implemented. Concerns were raised that engagement activities have only a short-term impact on raising engagement levels and the quality of care. Additionally, some were concerned that the use of multiple activities at the same time weakened the impact of the programs. These concerns reflect the need for continued efforts to increase employee engagement levels through a more systematic approach. An important take away from the committee is that complacency and overuse of tactics are
two areas managers at all organizations must monitor closely to maximize the effectiveness of engagement activities.

**The Perceived Impact of Employee Engagement**

“Engagement level has directs impact on the quality of care. If not engaged, quality can suffer.” When your staff is unhappy, patient care will suffer. I think it's important to continually take the pulse of the staff in terms of morale.”“A highly engaged employee cares more for the success of the organization. A highly engaged employee works harder for patients.”Engagement activities like many other initiatives often tend to be very intense for a period and then fade away.

**Data Sources**

The analysis utilized data that is routinely collected by the hospital. The hospital regularly collects data on employee satisfaction and patient satisfaction. Employee satisfaction was collected by the hospital as part of an annual employee survey conducted each spring. Patient satisfaction data is collected on an ongoing basis at the time of a patient’s discharge from the hospital. Both sets of data were then matched at the department level to assess the relationship between employee satisfaction and patient satisfaction. Employee and patient satisfaction data was aggregated at the departmental level. That is, we had information on the average satisfaction scores for each department. A finer level of analysis would be possible with individual employee and patient data. However, that information was not available for a sufficient number of departments, and, even if the data were available, there would be no suitable way to match individual patients to individual employees in a department. As such, our analysis involves a department by department comparison of the mean satisfaction scores for employees and patients. The specific metrics used in the analysis are as follows: *Employee Satisfaction* was measured with a 6-
point agreement scale (strongly disagree to strongly agree) across four “overall satisfaction” dimensions:

Data Analysis variety of statistical methods were used to evaluate the relationship between employee satisfaction and patient satisfaction of the departments. The strongest relationships were found by comparing the scores in a mean-split analysis whereby departments were grouped based on whether their average patient satisfaction score was above or below the overall mean. Shows the number of departments that fell into the low satisfaction and high satisfaction groupings for each of the employee satisfaction measures analyzed.

Results To test the directional hypothesis that greater satisfaction/engagement leads to higher patient satisfaction/service quality, a one-tailed independent sample t-test was conducted that compared the mean patient satisfaction scores for each of the employee satisfaction groups noted the significant results are shown in. Of the five employee satisfaction measures, significant differences were found for what are likely the two most important measures of engagement and satisfaction: referral likelihood and overall satisfaction with one’s job. The findings are particularly powerful given the small sample size due to the use of data aggregated by department.

**Employment Referral Likelihood** Referral likelihood is a very strong measure of an employee’s commitment to an organization. Departments with a higher employment referral likelihood scores had significantly higher patient satisfaction/quality of care scores regarding likelihood of recommending hospital to other patients’ summed overall rating of care given, and patients’ summed overall rating score across questions. Although the mean difference for the question pertaining to patient 23 “satisfied with patient care in my unit” was not significant across the lowest and highest groups, employees with higher
employment referral likelihood perceived a higher level of satisfaction with other
departments’ service quality.

_Summed Overall Satisfaction with Job_

Although the significance levels across the lowest and highest employee satisfaction
groups is not as strong as for employment referral likelihood, they are powerful given the
magnitude of Effect sizes and the small sample size due to the aggregated department data.
The most significant difference was for employees’ self-report response to the question
about satisfaction

With other departments’ service quality. Marginally significant differences were found for
each of the other patient satisfaction data as well. Hospital administrator believe the levels
of employee satisfaction and engagement is related to such factors as physical
infrastructure, (particularly office size, location and quality), staff size relative to work
load, and the quality of management provided by department heads and Supervisors.

_Implications_

The primary contribution of this study is the finding that hospital departments that have
higher levels of employee satisfaction provide better experiences for patients. Patients in
departments with more satisfied employees are more likely, by a margin of four scale
points out of 100, to say they would recommend the hospital to others. What’s more, those
same patients rate the quality of the care they received as higher (by three points out of
100). From this, we can take away the conclusion that the patient, either consciously or
not, infers that the care received is better merely because of the environment created by
having more satisfied employees. Since the analyses dealt with average responses within
and across departments, differences in actual performance in delivering health care (e.g.,
doctors and nurses administering procedures) essentially are averaged out. This leaves
nothing but the people-based aspects of the employees, as represented by employee
satisfaction, as the only factor that explains the higher level of patient satisfaction. The strength of the effect is demonstrated by the significantly higher levels of patient satisfaction as measured by multiple patient satisfaction scores and two different employee satisfaction measures. Participants in the online forum made numerous comments that highlight the value of the employees in enhancing the patient experience. Much of their attention focused on employee recognition noting the “need for individual recognition” and that “staff in higher positions is rarely recognized.” In addition to recognition, participants felt that employees needed to be included in daily operations and the hospital should listen to their feedback.” More generally, participants expressed the value of “more respect and visibility” for employees and their views. Participants also indicated that employees genuinely cared about patients and are in favor of “working for the better of the institution,” and “committed to achieving the goals of the institution.” Closely related is the concern about communications within the organization. Several commenter’s stated the “need for employees to be informed” and the value of “helping employees understand the goals of the organization.” These comments reveal a real strength in the people of the organization. However there was some concern that effort to motivate employees needed to be more strategic. One participant noted, “Engagement activities, like many other initiatives, often tend to be very intense for a period and then fade away. We seem to try many different things to improve patient or employee satisfaction. Some work, some do not, and most of them add to the workload of those who have to implement and monitor and report on them.

We seem to try a little of everything, and not focus enough on a few core things or ingredients.” The upshot is clear – more satisfied employees lead to more satisfied patients. A key aspect of this finding is that health care administrators can add “quality of patient care” to the list of benefits of having satisfied employees. (Other key benefits
Hospitals compete aggressively to attract patients, particularly for high revenue services such as cardiac care. There are a variety of dimensions that factor into the competitive landscape including hospital location, infrastructure, technology and equipment, physician reputation, and hospital image. Based on the findings in this study, we can include in that list of competitive dimensions the level of satisfaction of hospital employees. Health care administrators may not always consider employee satisfaction as a competitive variable. However, as we have demonstrated, when employees are more satisfied, patients have better experiences. While this research did not explore financial implications directly, we can infer some likely financial outcomes. One can reason that since more satisfied employees lead to more satisfied patients, the following behavioral and financial outcomes may take place:

- Repeat visits by patients can be expected
- Lawsuits or other negative behaviors of patients are less likely
- Patients will spread more positive word of mouth (word of mouth is a primary driver inpatient health care decisions)
- Financial performance of high satisfaction units will be better
- Costs of managing high satisfaction employees are lower (less attrition)

The 2008 Recruitment, Retention and Turnover survey contains information on current and emerging trends in people resourcing practice. This annual benchmarking survey is based on 779 respondent organizations from the UK and relates to the period 1 January to 31 December 2007. Web 2.0 and checking candidate applications are the two areas that we’ve chosen to focus on in more detail this year. Focus groups comprising members of the CIPD’s Recruitment Forum contributed to the analysis of the survey findings. Some of the commentary in this survey report draws on the focus group members’ thoughts and experiences.

- Resourcing strategies and objectives
  
  Only half of the survey participants report having a formal
Resourcing strategy. Eight in ten respondents cite attracting and recruiting key staff to the organization as the main objective of their resourcing activities. Enabling the achievement of the organization’s strategic goals (58%) and meeting future skills requirements (46%) are the second and third most important resourcing objectives according to survey participants.

- **Recruitment difficulties**

Employers’ recruitment intentions have remained stable, with the average number of vacancies respondents sought to fill in 2007 being 270 (compared with 263 in 2006). A high proportion of these organizations still experience recruitment difficulties (86%). The key reasons for recruitment difficulties, similar to last year, are a lack of necessary specialist skills in candidates (70%), followed by higher pay expectations (44%) and insufficient experience of candidates (42%). Appointing people who have the potential to grow but who currently don’t have all that’s required is the most frequently used initiative to overcome recruitment difficulties (75%). Recruitment, retention and turnover initiatives having a positive impact on tackling recruitment difficulties include providing additional training to allow internal staff to fill posts (75%), providing a realistic job preview (72%) and using the employer brand as a recruitment tool (71%). Just 32% of organizations say they make use of talent banks (ready candidate details saved electronically) before looking to recruit externally.

- **Attracting and selecting candidates**

Recruitment agencies (78%) followed by using the company’s own corporate website (75%) and local newspaper advertisements (74%) are the most common methods being used to attract candidates. The most frequently used selection methods include: interviews
based on the contents of the CV/application form (72%), followed by competency-based interviews (65%). The average recruitment cost of filling a vacancy per employee is £4,667, increasing to £5,800 when organizations are also calculating the

- Checking candidate applications

  Almost nine in ten organizations take up candidate references mostly or always. The pre-employment checks most often carried out by organizations include: most recent employment history followed by absence records, with 85% and 64% respectively mostly or always carrying these out. A quarter of organizations report withdrawing job offers during 2007 because a candidate represented their application. The quality of references and the extent to which references are seen to confirm information provided in a candidate’s application was mixed. Half of organizations say references are very effective or fairly effective, with the other half saying they are neither effective nor ineffective/fairly ineffective/very ineffective.

Web 2.0 and recruitment

More than eight out of ten respondents’ reported that they don’t use Web 2.0 technology to attract diversity. Overall, just over half of those organizations surveyed have a formal diversity strategy (55%). Public service employers seem to be much more diverse-conscious, with 84% of them adopting a strategic approach to diversity. This year slightly more employers are monitoring recruitment and information on the diversity of their staff (83%).

Labour turnover

The 2007 labour turnover rate of 17.3% is slightly lower than last year (18.1%). The private sector reports the highest labour turnover rates (20.4%). The hotel, catering and leisure industry remains the sector with the highest level of labour turnover, with the ‘all leavers’ finding in this category being 41%. This reflects an 8.4% increase in turnover rate.
compared with last year, bringing the figures back to the levels of 2005(42.5%). Over 70% of employers believe employees’ start using such technology in the next year of those 50 organizations who reported using Web2.0 technology to attract or recruit employees, the social networking sites they use include linkedin(62%), Facebook (58%) and myspace (10%). Just over half the organizations that plan to start using Web 2.0 methods to attract or recruit employees will target graduates (51%), followed by managers and professionals (46%). It is encouraging to see that 85% of organizations reported that they do not use social networking sites to vet candidates during the recruitment process. Over half of the 100 CIPD members who answered the section on Web 2.0 believe the following about its value: From an employer branding perspective, they are concerned about damaging comments about the organization being posted on social networking sites and blogs (62% agree/strongly agree). Social networking sites are useful for engaging effect on business performance. Change of career is deemed to be the most common cause of voluntary turnover (55%). Other reasons include promotion outside the organization (45%), level of pay (41%) and lack of career development opportunities (33%). Twenty-two per cent of respondents have made ten or more redundancies, and 21% have used recruitment freezes during 2007.

Employee retention

• Overall, organisations reported having the same level of employee retention difficulties as last year– 80%, compared with 78% in 2006. This high level of retention difficulties is reported across all industry sectors. Senior managers/directors remain the least difficult to retain, with 7% retention difficulties reported by respondents. Across therest of the occupations, the same level of retention difficulties were reported, ranging from 20–36%. The most frequently cited actions taken by potential job-seekers (56%). Web 2.0 offers organisations the ability to learn about how they are perceived in the labour market
organisations to address retention is increasing pay (53%), increasing learning and development opportunities (46%), as well as improving selection techniques in the first place (46%).

Recruiting employees This section explores the nature and scale of recruitment activity taking place within CIPD member UK organisations during 2007. As well as reporting on the challenges that resourcing professionals faced over the last year, it taps into employers’ use of initiatives to overcome recruitment difficulties. It also includes information on the trends and changes in attraction and selection methods, diversity issues, and reports on the time and costs of recruitment and labour turnover.

Resourcing strategies and objectives Recruitment difficulties

Shows that only half of those organizations shows, by industry sector, the average number surveyed have a formal resourcing strategy in place of vacancies respondents sought to fill. Employers’ (50%). This is not much change on the previous year recruitment intentions have remained stable, with 270 (51%). These findings continue to be surprising, given being the average number of vacancies respondents that eight in ten employers rank attracting and sought to fill (compared with 263 in 2006). However, recruiting key staff to the organization in their top in 2007 the public services sector reduced its search for three resourcing objectives staff by over 50%. Other resourcing priorities reported include enabling eighty-six per cent of organizations reported that they the achievement of the organization’s strategic goal share experiencing difficulties recruiting for one or more (58%) and planning to meet the future skills category of vacancy. This number has remained stable requirements of the organisation (46%) over the past 12 months (see Table 3 for a breakdown by industry sector).
**Analysis of issue through another literature review**

Literature review on nursing turnover guides about problems, and helps nurse leaders to minimize nursing shortage. There are several factors which could contribute for nursing turnover. The research-based literature illustrates the reasons why nurses quit their job willingly or against their will. Their services are liable to be terminated at any time. They are less benefited as compare to government employees. For instance there is no opportunity for nurses to get deputation for higher education, study loan from the organization.

Mostly low salary is a hurdle for nurses to get advanced professional education at their own, limited chances for professional development. Similarly, they have less leave with pay as permanent nurses can avail 45 days leaves per year while other employees doesn’t have leave system. There are many young nurses who have the potentials and eagerness to enhance their education, but policy does not allow employees for deputation and scholarship contacted personally some of those nurses; the information that came to my knowledge is contract policy, work load, less facilities as compare to permanent workers, long night duty 12 hours, lack of support from seniors and non nursing duties. Huber (2006) believes that the nurses’ shortage is problem of every state and global trend. The reasons are comprehensive, that need to be observed separately. Factors are including nursing education that affect new graduates, and work environment to affect the ability of workplace which catch the attention of new nurse to preserve.

Likewise Taunton et al.1997,Sjoberg & Sverke 2000,as cited by Gardulf, Soderstrom, Orton, Eriksson, Arnetz, & Norstrom (2005),describe the association between an employee’s job satisfaction, working condition and the individual’s reason to leave. In the same way a study was conducted in Sweden by Halso-och sjukvardsrapport, 2000, 2001,
as cited by Gardulf (2005) that revealed Shortage of registered nurses and the high turnover rate. The number of beds in Sweden hospitals has decreased; outstanding to monetary problems and nursing shortage. 10% of the positions of rns at Heddinge University Hospital in Stockholm are vacant…. In 2002, 201 positions for rns out of 2000 were reported vacant and ward were being closed (p.330).

In USA, UK, Canada, different factors are identified for high turnover in nurses. Arnetz et al, 1995, Collin et al, 2000, Davidson, et al 1997 Wai Chi et al, 1998, cited by Gardulf et al (2005), believe that lack of career development, support from supervisors, frustration with internal management, less autonomy in workplace decision making. Moreover poor communication within organization, less time for complicated jobs, and lack of cooperation was also mentioned.

On the other hand, role ambiguity and low self-esteem are associated with organizational changes; hence 35% rns were ready to give up their job. Another study was done by Fochsen, Sjogren, Josephson & Lagerstrom (2005), in Sweden, reveals the same factors that force the nurses to leave job. Low income, less professional growth, limited independence, unfriendly working environment; personal reasons and satisfaction are most significant factors to quit jobs.

In Pakistan study about job satisfaction and nurses’ intention to stay in private hospital by Jaffar (2003), report reveals that 24% nurses found dissatisfied. The reasons for dissatisfaction are work itself, working scheduling, and nurse-physician relationship. Further more Jalonen, Virtanen, Vahtera, (2006) speculate that in these days, many organizations avoid to hire permanent employees especially in public sectors due to monetary difficulty. During 1990, in USA, turnover rate was 6%-20%, while in Finland 14%-18%. While in public and municipal sector, by the year 2001 it was 24%.
From the organizational point of view, employees’ commitment is important to resolve managerial problems, such as well-incorporated teams and people’s devotion. Less consideration to contract workers causes more turnovers. Job uncertainty is another perception that associated with provisional services. It can cause constant worry and frustration for extension of job. In contract employees there is a sense of isolation from regular employees, due to discrimination in rules and regulation like, no chance for profession growth and organizational recognition. Little work has been done for this sensitive issue. At NHM contract employees have the same feeling of deprivation.

Flanagan (2006) demonstrates an anticipated turnover model in her replicated study that relates turnover and job satisfaction. Other factors especially in psychiatric units, like prison environment, role uncertainty, type of client could be the factors for turnover. Andrew et al cited by Jasper (2005) states that “challenges of getting the right staff in the right place, whilst at nursing shortage. They present the results of a study exploring student opinions, of three initiatives to attract student nurses to local health care employment upon qualification” (p.280). According to Hadley 1990, Kinney 1994 cited by Rowe &Sherlock (2005), “verbal abuse; it is any statement to a victim that results in emotional damage, which limits her/his happiness and productivity” (p.24). Hospitals that have this problem face to increase in turnover of nurses. Occasionally it happens at NHM by senior nurses and doctors with serious consequences.

It is difficult to estimate the actual cost of nursing turnover. There are lots of operating cost required in hiring a new nurse, for example, “recruiting, selection, orientation, on-the-job training and temporarily replacing a nurse who quit or fire”(Sullivan &Decker, 2004 p.303.). Nursing turnover is in the dire need to understand and control successfully.
Moreover cost involves; advertisement, loss of experienced nurses, medication errors and impact on quality of patient care by novice nurses.

An estimate of “average replacement cost $92,442 for medical-surgical nurse while CCU nurse replacement cost $145,000 per annum” (Huber, 2006, p.638). In these days all over the world health care industry is facing serious problem regarding nurse’s shortage and turnover. Steers and Stone 1982 cited by Sullivan& Decker (2004), believe “the turnover involves real costs to the organization, turnover also can have undesirable effects on patients ...” (p.304).

Turnover at NHM is a leading point for other nurse who worked with departed nurses. It is quite possible that turnover could be an example for other nurses to detect a chance of better job in another place. Heavy burden on hospital budget for recruiting nurses as well as loosing experienced nurses. Use of temporary substitutes can cause difficulty as the workflow of the unit is disturbed. Turnover may cause the organization to delay to new projects. This situation creates high turnover especially in young nurses. Nurses are supposed to provide high quality and safe client care. This high turn over has a negative effect on patient care.

Integration of Transformational Leadership Theory

Many leadership theories are available to guide nurse leaders but I think transformational leadership theory could be appropriate to resolve the issue of nurses’ turnover. Burns, 1978, cited by Heidenthal, (2003) states that “it is a process in which leaders and followers raise one another to higher levels of motivation and morality” (p.172).Hein, (1998), defines that “Transformational leadership is moral leadership in that it has a transforming effect on both the leader and the follower, bringing out the best in each” (p72).This theory
could be a guide line for nurse managers to explore the relationship between turnover and various factors.

Heidenthal, (2003) further suggests that transformational leaders stimulate others by performing in harmony with moral ethics, providing an image that reflects mutual standards and making others powerful to move ahead. Tichy and Devanna, 1986 as cited in Heidenthal, (2003) claim that “effective leaders identify themselves as change agents; are courageous; believe in people; are value driven; are lifelong learners; have the ability to deal with complexity, ambiguity, and uncertainty; and are visionaries” (p.173). At NHM the transformational theory could work effectively, here increased communication between administration and nurses might reduce the stress as it relates to workload demands.

Management Strategies

IHI (2008) further suggested that they could review the literature on nurse staffing about the importance of rapid selecting of new nurse. A recruitment and reimbursement Committee, including a nurse leader could also be formed, to watch issues related to recruiting nurses, and to serve as an important link between nursing and the human resources department. In NHM, we have a very lethargic process to hire new nurses. Recruitment phase is as long as 3 to 4 month from the initial interview to selection and political interference. NHM management could focus on these points to fill vacant nursing positions, keen administrative support, and moving the process fast.

Against these conditions, during the past several years Institute of Health Improvement (2008), has worked to make stronger its nursing agenda and its ability to employ and preserve nurses. According to IHI persuasiveness could support the nurse in all phases at
work. Nurse leaders can use the same methodology for nursing issues as to improve care for acute myocardial infarction patients to reduce medication errors and quality of care. Rely on evidence to find out what strategy can work, test ideas in small ways, and spread the successful strategies. Management of a NHM could follow the same strategy by giving priority to retain nurses. Welch (2005) believes that before hiring right people, check their integrity, intelligence and maturity.

IHI (2008) also believes that it is important to support local nursing schools, both economically and by providing training opportunities and faculty, In addition to make financial aid to both. This is a great recruiting opportunity, the student nurses are familiar with the system, and hospital management already knows them. NHM has a school of nursing, 250 student nurses are getting general nursing and midwifery training.

They are working there full time for four days a week that is an assistance to overcome the problem of shortage of nurses. The same strategy might be applied here at NHM. In addition, a nurse manager can serve as a link among the nursing schools and hospital to make sure that needs are being met for both organizations, and regularly obtain feedback about the working relationship through formal surveys and personal contact.

Huber (2006) emphasizes on retention policy of nurses by supporting and, encouraging job satisfaction and creating an atmosphere of regards and security in workplace. At NHM nurses feel insecure about their job and constantly work under stress. Permanent job could lessen the anxiety. Mrayyan, (2005) thinks that public hospital turnover rate is higher than private. As I have mentioned earlier that NHM is a public hospital, it seems true in my workplace. Mrayyan & Gardulf (2005) suggested that there is a dire need to take intervention to enhance nurses’ retention by, incentives, revision of salary, benefit package, less duty hours, child care facility at workplace.
In addition to these suggestions library and internet facility could be provided to learn and contribute in nursing research. If these facilities would be provided at NHM, I believe that turnover rate of nurses surely be declined. Rowe & Sherlock (2005) suggested that various techniques might be used to reduce verbal abuse like, involvement of nurses in policies and procedures, it will lessen exhaustion. Counseling of staff is necessary to boost up their morale. Nurse Managers could formulate strict policy for abuse and prompt report from victim and action accordingly. This harmony provides not only essential leadership support for unit nurses, but also educating, counseling, and role-modeling.

Fochsen, Sjogren, Josephson & Lagerstrom. (2005), in Sweden, warn the policy makers that low salaries as compare to workload reflects poor image of nursing. Same situation, nurses are facing at NHM. Furthermore Jalonen, Virtanen, Vahtera, (2006), find that change from provisional to permanent job could be effective to sustain organizational commitment. Continuity of care and care giver is essential. Flanagan (2006) reveals effective communication between management and staff; organizational support can reduce stress and job satisfaction.

At NHM nurse could have permanent job. Each nurse manager at her unit could watch and listen for problems and take appropriate action, by checking new nurses, making sure that she is available to them as a resource for information, guidance, and a friendly listener. Nurse Managers can observe new nurses to how they are doing. If they see a nurse is beginning to show signs of problem, like absenteeism, she could get involved in a silent way to see how she can help.

New nurses can turn to one another in small discussion groups. They might gossip about how to get out on time at the end of their shift, or how to control a helper who is older and more skilled. Some of these are questions they don’t feel comfortable asking their
managers, nurse managers can guide and support them in their work. Nurse leaders can build a committee to focus on issues specific to the nursing personnel. They could meet regularly with the hospital management to present effort from the nurses, and take information, about nurse turnover and vacancy rates, from administration back to the units. I think with good information, in NHM, nurse managers on each unit would make good decisions about how to support nurses.

**Recommendation**

Government of Punjab health department could think over contract job policy and declare nursing as essential service like Pakistan army and police to appoint nurses on permanent job. IHI (2008) has analyzed that are the majority nurses expected to leave in their first few years of employment, and the threat is maximum at about 18 months. So nurse leaders could take some effective measures to retain by counseling a coaching and role modeling on each unit.

The nurses who are new to the profession need additional support. Adjustment in the practical world of nursing can be difficult; most new young nurses are deficient in life experience and professional. They are not only just novice to use technical skills, but also learning to deal with the emotional phase of being a Nurse. Most important thing is how they can continue to develop as a nurse while maintaining an emotional control as human being.

I think to understand and help out these issues, the nurse leaders have to play a vital role to face these challenges. Kennedy cited by IHI. (2008) believes that nursing is a valuable work, but also demanding. Encouraging nurses is fine for nurses and for the institute, although most significantly for patients.
In conclusion Nurse Managers should analyze their institutions in the light of literature and seek guide line from transformational leadership style to retain their employees. Nursing leaders have to focus on improvements in two key areas: recruitment of new nurses, and retention of those staff. The flexibility for long night duty hours or some incentive in form of extra money for night nurse could be helpful. Regular meeting with staff, leadership seminar might be a better idea to understand new strategies to decrease turnover. Contract might be turn into permanent job. Nurse Manager should improve their supervisory behavior, Clinical mentorship, and hire right people.

Peter I. Buerhaus, Valere Potter distinguished Professor of Nursing and Director of the Center for Interdisciplinary Health Workforce Studies at Vanderbilt University Medical Center in Nashville, Tenn. Reported on Nurse.com

There are few problems more alarming in this country than the nursing shortage. The implications have far-reaching impact on quality of life and the health of this nation.

**Cause of leaving:**

**Social Environment:**

The social environment of the workplace is the initiator of a nurse's plan to stay or leave. Moreover social environment is a determinant of work disappointment (a depressing influence), and work excitement (an encouraging influence). Moos(1994) said that these factors directly influence workplace stress, leading to job satisfaction or dissatisfaction. According to Bratt et al.(2000), Job satisfaction or dissatisfaction is the powerful forecaster of intent to stay or leave the job.
**Burnout:**

Burnout can cause job dissatisfaction. Garret and McDaniel (2001) said that environmental uncertainty are very important in all features of burnout. Aiken et al. (2002) reported that nurses with the lowest nurse-to-patient ratio experience less burnout and dissatisfaction than those with highest ratios. The researchers claim that 43% of nurses who said strong levels of burnout and disappointment intended to quit their jobs within a year. Only few nurses did not complain of dissatisfaction. When nurses work rotating shifts, there is a significant decrease in job satisfaction (Bratt et al. 2000). Newer nurses experiencing more job stress as compared to experienced nurses.

**Autonomy:**

Nurses always desire increased autonomy working environment. (Nevidjon and Erickson 2001). Aiken et al. (2002) claim that autonomy is one of the factors which has decreased emotional exhaustion of nurses in American magnet hospitals. In another research on this hospital showed that autonomy had influenced the managerial trust, their appraisal of the quality of patients care and also job satisfaction (Laschinger and Thomson 2001). Davidson et al. (1997) established the value of autonomy by representing that decreased job satisfaction is connected with decreased autonomy. Bruffey (1997) said autonomy is ultimately influenced by the leadership of their managers. There is a positive connection between job satisfaction and nursing leadership. Management system, allow the nurses to do their jobs effectively, was related to job satisfaction (Bratt et al., 2000).

Tumulty et al (1994) found that though autonomy had a significant impact on job stress, it was not a major determinant of stress as task orientation. Also Ingersoll et al. (2002) said that autonomy was a positive observation of task orientation related with increased job
satisfaction and aim to stay. This idea is supported by Davidson et al. (1997) with the result of increased scheduling and decreased work load leading to decreased job stress. The researchers argued the advantages of better communication improving the awareness of nurses concerning autonomy burn out, work pressure and task orientation. Some researcher stressed the significance of management or leadership behaviours. Managers or leaders perceived as equitable decreased staff perceptions regarding work pressures and increased perceptions regarding autonomy(Taunton et al. 1997). Bruffey(1997) said these factors collectively led to lower job stress and its expected association with intent to quit.

**Work Pressure:**

Bratt et al. (2000) identified the work pressure as the most familiar and important factor of organizational work satisfaction/dissatisfaction. McNeese-Smith(1999) identified several factors of work load which bring job stress for nurses. These were:

(a) overload due to heavy patient assignment, too many patient needs, and/or too few staff members to meet these needs.

(b) exhaustion;

(c) fear of making a mistake due to exhaustion and

(d) high patient acuity.

Bratt et al. (2000) reported some additional work stress factors which influence the nurses to leave the job. These include rapid turnover of patients, shift work, lack of available equipment, managerial pressures, excessive noise and lack of space. According to Aiken et al.(2002), Nurses with increased patient loads in workplace were more likely to explain experience of burnout, job dissatisfaction and emotional exhaustion than their colleagues
with less patient loads. So autonomy is a key factor to reduce work stress for work load. Because work load is a originator of nurse intention to leave

**Job Satisfaction of Nurses:**

There is a lack of agreement on the meaning of nurse satisfaction (Hale 1986, cited by Maylor et al 2000). Two definitions stemming from the 1980 stand out. The first one highlights psychological factors according to Bush(1988), the perception that one’s job fulfils or permit the fulfilment of one’s significant job values, providing and to the extent that those values are congruent with one’s requirements. The second one highlights workplace factors like recognition of achievement, enough staffing, appreciation, autonomy, childcare facilities and quality patient care. (Butler and parsons, 1989).

Nurse satisfaction can be depends on effective patient care. Maylor et al.(2000) noted that it is very crucial to have ability to give good patient care.

**Determinant of job satisfaction:**

Job satisfaction analysis is driven by attempts to concentrate on the issues of industrial action, leaving or turnover and personal joy at work. Researchers are interested in the bond between job satisfaction and efficiency and financial and non-financial reward. According to the influential work of Freeman (1978), job satisfaction can be separated into those considering labour force as a whole, those analysing qualified groups such as lawyers, nurses and academics, those which inspect the impact of individual characteristics like age, sex, race/education and those which explore the outcome of job-related features such as trade union membership, self employment and establishment size.
Some important determinants of workplace satisfaction have been recognized which may be supportive in the thought of job satisfaction in nursing. Diversity of individual characteristics have been identified to have special effects on reports of job satisfaction. That diversity includes gender, race, age, marital status, children and education. The major effects are usually connected with gender and age.

According to British Household Panel Survey (Clark and Oswald 1996), Females are highly satisfied with their job in the UK. Earlier proof recommends that age has either a linear or U-shaped bond with job satisfaction (Clark et al. 1996). That means older workers usually being more satisfied with their current job. A set of studies have focused on the analysis of comparison effects on job satisfaction. Comparison effect means, staff may have several idea of relative or ‘comparison’ earnings which enters their utility function. So job satisfaction is not only influenced by a staff’s personal total earnings, but also by their earnings that is comparative to some comparison group/desired level.

Clark and Oswald (1996) summarized that satisfaction or dissatisfaction can be created in workers mind because of individuals’ comparison of their present job with the other job. So, job satisfaction is not only affected by individual earnings but also by their earnings related to expected level. Both absolute and comparative incomes have positive influence on the job satisfaction of staff (Sloane and Williams 1996). Clark and Oswald (1996) gave some proof that expectations are influenced by staff’s age, educational background and profession.

Determinant of job satisfaction can be found from the inconsistent job features of staff. Working hours, establishment size, union membership and profession have important effects on job satisfaction. In the case of nursing staff, it is very crucial to evaluate the impact of improved working environment on their job satisfaction. Clark (1997) discovers
a important influence of ‘work values’ on job satisfaction. More exclusively, staffs that highlight the importance of payment are more likely dissatisfied with job whilst staffs that highlight job place relations are associated to support job satisfaction. Nurses are more likely dissatisfied with their job because they are normally considered as low-paid staff.

**Nursing in Multi ethnic minority:**

The racial harassment of ethnic minority nurses continuous to be a regular feature of their working lives in the NHS. This racial harassment from patients could be broken down into two distinct forms. According to (Beishon et al. 1995) First, there was a form of harassment where racial motivation in the incidents was clear because of accompanying verbal insults or because the patients had made it clear they did not want to be ‘nursed’ by an ethnic minority nurse.

Secondly there, there was a more subtle form racial harassment where white patients did not explicitly mention nurse’s ethnicity, but rather treated ethnic minority nurses in a relatively unfavourable way to their manners with white nurses. A black nurse reported how differently she was treated from her white colleagues (Alexander and Dewjee 1984).

However the things have begun to change and NHS training authority has taken on training projects directed specifically at race issues (Beishon et al. 1995).

**Retention strategies:**

**Creating a motivating climate:**

Because the organization has such an impact on the factors that extrinsically motivate employees, it is important to examine organizational climates or attitudes that have direct influence on worker morale and motivation. Huston and Marquis(1989) said that
frequently organizations overtly or covertly reinforce the image that each and every employee is expendable and that a great deal of individual recognition is in some way harmful to both the individual and the individual’s productivity within the organization.

Just the opposite is true. Individuals who have a strong self-concept and perceive themselves to be winners are willing to take risks and increase their productivity to achieve their productivity. Peters and Waterman (1982) stress that organizations must be designed to make individual employees feel like winners. The focus must be on degrees of winning rather than on degrees of losing.

Another wrong attitude held by some organizations is at the opposite extreme. Korman et al. (1981) supported that if a small reward results in desired behaviour, then a larger reward will result in even more of the desired behaviour. That means an employee’s motivation should increase proportionately with the amount of incentive or reward. Nurse managers should think excellence and achievable goals, and reward performance in a way that is valued by their staff. These are the cardinal elements for a successful motivation-reward system for the nursing organization (Kirsch, 1988). To the contrary, more incentives or reward systems were actually less motivating, as they produce a feeling of distrust or being bought. Increasing incentives may be perceived as a violation of individual norms or of guilt (Bowin, 1987).

Managers can also create a motivating climate by being positive and enthusiastic role models in the clinical setting. Studies by Jeskins and Henderson (1984) demonstrated that managers’ personal motivations are the most important factor affecting their staffs’ commitments to duties and morale. Positive outlooks, productivity and accomplishment are contagious. Radzik (1985) stated that employees frequently determine their job security and their employer’s satisfaction with their job performance by the expression they see on
their manager’s face. That means unhappy managers frequently project their unhappiness on their subordinates and contribute greatly to low unit morale.

**Managing Career Development in nursing:**

Some philosophies about responsibilities for career development have been reflected in nursing. Donner and Wheeler (2001) have argued that nurses do require to take greater responsibility for career planning and development. They should follow a framework discussed by King (2001) which includes identifying opportunities, developing and implementing a good career progress. Donner and Wheeler (2001) added that to deliver high quality of caring service all educators, employers and professional business organizations should work with nurses on their career development plans and activities.

According to (UKCC 1999), in UK, for long period it has been known that continuing professional development (CPD) has an significant function in nurses’ individual career development and retention. It also enhances the quality of patient care. There was a debate for a long time that local health service employers must recognize and understand the value of appropriately controlled CPD programmes in attracting, motivating and retaining high quality staff (DH 1998). Strategy for CPD for nurses were set out in Making a Difference (Robson and Banett 2007) in which it was debated that CPD should include not only attending courses but also learning at work through experience, critical incidents, audit and reflection, maintained by peer review, mentorship and clinical supervision. It was a matter of great concern that practitioners and employers were puzzled by the creation of new courses and lack of apparent links to career paths and that a more determined structure was needed.
**Working Condition:**

From a human resource management viewpoint, it can be said that working conditions have an affect on staff morale. Good working conditions will contribute to improving retention staff (DH 1997). The different ways in which working environment can affect nurses and manipulate their decisions about direction and retention in the occupation have raised from a substantial body of study on job satisfaction and workplace stress.

Reconsidering the previous history on stress among general nurses, McVicar (2003) expressed that the major sources of stress identified are leadership, work pressure, management style, coping with emotional or touching demands of care, and relationships between occupational groups. He also added shift working and lack of reward also emerging from more recent research. Deep study on job or workplace satisfaction in nursing profession has exposed that aspects of work which recognized in the stress literature also come into view as sources of satisfaction or dissatisfaction. Nolan et al (1999) said, staffing levels enough for nurses to feel confidence to offer better quality care if there are availability of supplies and equipment. And it also depends on the nature of work place relationships with colleagues and nursing managers.

Positively it has long been acknowledged that both physically and mentally nursing is a challenging work (Davies 1995). Handling and lifting patients and ‘being on one’s feet’ every day is not very easy. It can cause not only work stress but also bodily injury like strained backs. The emotional element of nursing can be equally important and demanding, involving caring for patients when they are dealing with death and dying and loving for upset patients and relatives. Rise of these demanding emotional elements to overcome the challenge can be a source of satisfaction. On the other hand, low moral and
work stress can be created when nurses feel under-supported and under resourced in working environment, particularly in relation to staffing. (Cameron and Masterson 2003).

McVicar (2003) said study on stress has exposed the level to which a range of physiological and psychological symptoms have been linked with diverse sources of stress and that distress is very much correlated with absenteeism, ill-health and poor retention . Shields and Ward (2001) expressed that Job frustration has been reported as the distinct most vital cause of intention to leave among NHS nurses. In US, it was suggested that when staffing levels are decreasing there is low levels of job satisfaction which causes poor effects on work stress and quality of patient care (Aiken et al 2002). He also added it also affect the retention of nurses in clinical practice. According to Coomber and Barriball (2007), a current review of the international literature illustrates that stress caused for workload, workload scheduling and leadership issues influence disappointment and retention for nurses.

From policy development, a range of strategies have been identified and implemented to improve working environment. In recent times those strategies have been brought together and developed as one key component from four included in ‘Human Resources in the NHS Plan’ (DH 2005). To getting better quality of patient care, effective strategies should be considered to increase the numbers of staff in a post. These are determined by the recognition that levels perceived as insufficient for workloads are harmful to morale and may create worse problems of retention.

**Social and Recreational programs:**

Another positive working state that has gained popularity in recent years is the condition of social and fun programs in favour of employees. Huston and Marquis (1989) said that
community programs might be include functions like as teas, dinners, and receptions to nobility employee activities and longevity of service. Other social events could include yearly Christmas party and summer barbecue or picnics. Those programs allow the employees and their families to appearance social relationships both inside and outside the organisational environment. In years of 1970s more than 50,000 American companies had developed some form of recreation program for their workers (Famularo 1986).

These programs are commonly used to link employee relationship and success needs which are generate a sense of belonging, improving self-confidence, and growing employer faithfulness. Employees find it easier to recognize with a corporation that cares in relation to their off-the job human requirements and the meaningful relationships with link employees who work jointly cooperatively both inside and outside the organization (Huston and Marquis 1989, p 373).

In many businesses, the recreation that is formal into a strength program either on or off site. Although traditionally reserved for organization only in corporate America, fitness programs are now essential for all employees. This system has been developed in Japan also. Fit, happy employees create more, are less likely to be lacking, and are fewer possible to be wounded (Bergstrom 1988).

To develop a recreational program, the originations have to follow a number of principles. Huston and Marquis (1989) said first, the program should provide the greatest chance for the maximum amount of sharing by greater the number of employees. Second, the recreation should be more than “play”; it is thankful to include a wide variety of performance to accommodate the broad range of interests in a group of individuals. Last one, the program has to be flexible so that it can cultivate and modify as new requirements and activities occur. But (Glueck 1978) report that study of the preferences of employees
indicated that leisure services are the least preferred of all advantage and services offered by the organizations.

**Job Security:**

Job security is an elementary human require that in support of many people and that is more important than both salary and progression. Organizations that are loyal to job safekeeping “make every stab to afford continuous employ or income for at least some activities or program to support this commitment. (Luxenberg 1983, cited by Huston and Marquis 1989). Quite a few of these forces motivates employees toward unionism, grave clash in superior-subordinate relation, and fears of transform be related to employee’s clutch for security (Strauss and Sayles 1972). Union provide a guarantee to employees by objection process that they will not be terminated illegally. Most of the non-union company should also provide a grievance process to increase worker security so that employees need not fear being terminated unfairly (Huston and Marquis 1989)

**Work Value:**

According to Ford (2009), a patient has returned to Aintree University Hospitals NHS Foundation Trust to thank nurses who potentially saved his life by spotting a serious heart condition during routine tests prior to an eye operation.

**Pay:**

Even though disappointment with payment has long been known as a key rationale for poor retention, a revision of study preceding the beginning of the current upgrading programme concluded that the connection between payment and retention is complex and is the most important one of several factors that may shape labour market behaviour
(Buchan et al, 1998). The pay of nurses was disgraceful. Many were earning less than office cleaner (Baly 1980). In recent times, employment opportunities for women, the leading group in the nursing labour force, have been enlarged and this has decreased nurses’ relative income in relation to the labour force as a whole (Sausman 2003). Subsequently, the observation that others may be earning more money for same or less liability may influence the decisions to leave nursing job for high-paid professions. One nurse reported that earning from nursing were less than a quarter of house hold income.(Seccombe et al. 1993).

Constant anxiety about the impact of frustration with payment on retention, integrated with the observation that a new career arrangement was required to substitute the clinical grading system, lead to the beginning of a new payment scheme (NHSE 2002). NHS Plan document (DH 2005a) reported that new higher pay scheme for most NHS staff was developed and might be launched over the next two years. Recent trends in nurse pay reflect developments in the three components of NHS nurses’ pay (Seccombe and Smith 1996) These components are

The review body award which updates the whole NHS nurses pay structure by a fixed percentage amount.

An amount determined by local negotiation An annual incremental increase reflecting individuals’ progression within their clinical grade.

According to (DH 2006), it has been discussed that pay renewal provides a more transparent method of reward and staff development It has long been proven that there are some areas in UK especially London and South-East where costs of accommodation are very high. Accommodation factor forces those people who work in public sector with low
salaries, including nurses, to seek job elsewhere. This had directed to the beginning of various inexpensive housing proposals (Hutt and Buchan 2005) even though the result of these and other such proposal has yet to be assessed carefully for better retention strategy.

**Moving to graduate Workforce:**

Another significant side of the nursing retention challenge is the argument about whether nursing should turn into an all-graduate profession at the aim of registration. From long time some healthcare occupations like medicine and pharmacy had an all-degree route to registration, and others like physiotherapy have recently joined them. There is a argue about whether nursing should go for it or not. According to (Hayward 1992), low minority of nurses had finished their education to degree standard through a four-year course from the late 1960s. The Royal College of Nursing focus on nurse education expressing that every nurses should be educated to degree standard at registration; a position also favoured by Heads of University departments for Midwifery, Nursing and diverse constitutional and Health Visiting bodies. Yet, this observation is not commonly held and to be truth, the college motion debate on the move to all graduate entry was closely defeated at the yearly meeting in 2003. (Robinson and Bannett 2007)

According to UKCC (1999), In the 1990 a lot of universities started offering three-year nursing degrees. Then these offers were increasingly expanded and seven per cent of qualifiers were successfully graduates in England by the end of 1990. Both the diploma and the degree programme were offered in England. On the other hand, as module of the revision of pre-registration and post-registration nursing education projected in ‘Modernising Nursing Careers’, a review is to be completed of whether modification are required to the standard level at which the pre-registration nursing course is offered in the near future (DH 2006).
UKCC (1999) analysed that there was strong arguments in support of graduate entry include easy recruitment on the foundation that degrees are more preferable than diplomas to talented students. Fletcher (1997) added, generally a diploma required profession will not attract qualified students too much and standard degree level entry will increase the standing or status of nursing in compare to that of other occupational groups. Payne (1994) argued for graduate entrance saying that nursing would no longer employ from such a broad range of community backgrounds. Also (Hakesley-Brown 1999) added, more degree level employ may reject staff like healthcare assistants to get chance of study required for a registered nurse qualification. That causes total numbers would decline as the alleged complexity of studying for a degree may discourage latent applicants. Though it difficult to distinguish but a standard comparison of diploma and graduate applicants proved that the second one were a less diverse group than the first one in reality (Robinson and Bannett 2007).

**Diversifying Recruitment:**

The theme of growing diversity has been focused in the DH’s policy document for nursing (DH 1999). The main theme of that policy document was confirming the composition of the occupation more appropriately reflected the people it served and that the NHS authority meets up its recruitment requirements. Exact reference was given such as making training more available to those who seeking a second or third career with family caring commitments, people from ethnic minority groups, and those who wished to upgrade professional qualifications.

By observing regular turn down in the numbers of young people coming to the workforce and lack of NHS staffing (UKCC 1999), these policy documents were repeated by the UKCC in its re-evaluation of pre-registration education. Policies to extend diversity in
nursing job were then consequently reinforced in the labour force proposals discussed in the NHS Plan (DH 2000b).

These were linked to the policy of extending participations in advanced education for those people who do not have conventional educational qualifications. The difficulty of recruiting a new diverse labour force focused in the debates that have been found in introduction of the three-year pre-registration degree in early 1990. Recently, in ‘Modernising Nursing Careers’, The significance of having several admission or entry points into nursing was discussed as a means of allowing applicant to take nursing professions as a second career (DH 2006).

**Training:**

The training opportunities for clinical nursing staff are an issue of increasing importance within the NHS today. It is held that the need for nursing staff to undertake further training after qualification is important for three major reasons. According to Beishon et al.(1995) First , by ensuring that they update their clinical nursing skills at regular intervals, they will more likely to continue deliver high quality of patient care .Finally, training is of crucial importance to nursing staff and their chances for further career development. The UKCC hopes to increase the amount of care given by qualified nursing staff than unqualified staff.(Beishon et al.1995)

**Work life balance:**

It has long been known that allowing nurses to accomplish a balance between working and daily family life is a key feature in getting better retention (UKCC 1987) . It has been a
important feature of the recent policy programme. Plans include the establishment of
system such as self-rostering that allows staff to better arrangement their social and family
life during working periods. To motivate the employee in workplace, main interest has
spotlight on combining work with caring for family and particularly children. Willis
(1991) analyzed that Before the 1990s, the NHS was known as neither a woman-friendly
nor a family-friendly organization. According to DH (1999), from the late 1990, plans to
alter the bad impacts of associating work and family life on retention turned into vital
issue to the human resources agenda for every health professionals.

The NHS strategy that launched Working Lives Improvements Initiative where NHS
employers had to show strong commitment to more flexible working conditions like
reducing hours facility, flexi-time, career breaks for higher education and an allocation of
leave to look after family members when sick or facing any other serious problem. In
addition, more funding was allocated to expand NHS financed and childcare provision
with a goal for on-site nurseries, offering suitable hours, weekend coverage, bank holiday,
emergency places and after school holiday play scheme.

Previous study proposes that the using of NHS financed childcare option is depending on
problems faced by nurses. Waters (1997) said , The Royal College of Nursing research on
the topic and conclude that even though one third (33%) of nurses had childcare facilities
but only 5% used them. Potential reasons were found from a tiny qualitative survey of 22
nurses that found, this was because of logistics shift work (Morris 1995). Whittock et al
(2002) supported by saying that same story come out from a later learning of 3 trusts
outside the London.

Robinson et al (2003b) said, a study of one eighty one nurses in England also found that
incompatibility with shift hour patterns was a cause for not using nursery facilities. Some
people don’t take the nursery facility because they want their child to be cared by family members with husband/wife or child’s grandparents featuring most often.

Plan has been taken to facilitate combining work and family life. Also interest has been focussed to the impact of career breaks and duration of part-time job on career development. The majority of nurses come back to part-time posts after taking motherhood leave or a break for childcare which often led to a demotion or downgrading of position as part-time posts are considered in lower grades job. (Martin and Roberts 1984).

Reducing discrimination in career progression related with family commitments was the focal point of a policy document described in DH(2000a). This report suggested that employers must confirm that healthcare professionals who change their working style or shift pattern after motherhood leave or a career break or any other leave for family problem are kept at the same rank or grade. Further research (Robinson et al 2003) has reported that part-time hours remain the favourite choice after come back from a break but that a majority of employee return or join to the same grade post.

On the other side, a research (Davies and Rosser 1986) reported that people who work full-time make much faster career advancement to senior grades than those who have break or work part-time. This has been the topic of argue, focusing around the question as to whether women who don’t work full-time are giving more priority to home and family than to job and career development (Hakim 2000). A revision of these argues showed in a research paper that emerged from an previous NRU research of registered general nurses’ come back to work after motherhood leave which proved that nurses coming back to work part-time at their desired shift were stirred by career progress and job reasons rather than by lifestyle and economic needs (Davey et al. 2005).
Dealing with Attrition

Gone are the days when people would start and end their careers in one company. The employee turnover over the past decade has been increasing since. Sonal Vij seeks some solutions to control the attrition rate.

As the Indian healthcare industry experiences the exponential growth, hospital organizations are shifting their focus from 'survival' to excellence. Especially, in the metropolitans one can see that hospitals are striving to be leaders in the market rather than just survivors. As a result, need for excellent manpower is now indispensable. Hence, with lucrative offers at each employee's disposal, attrition is bound to happen. In addition to this, there is a big demand and supply gap in the healthcare manpower available. In its 2009 report, a leading business magazine mentioned that by 2012 there will be shortage of 5,00,000 doctors and 10,00,000 nurses alone in India, whereas Indian medical education capacity is 31,000 per year.

No wonder that the cost of manpower resources is increasing by each day. Companies are literally bidding for good talent and attracting them with tempting salaries and designations. Undoubtedly, for any HR in the healthcare industry, retaining its employees is the need of the hour.

A Matter of Concern

Healthcare is witnessing the same exponential growth that IT and BPO industry faced some years back. Needless to say, the sector has also inherited the problem of attrition that still plagues the IT and BPO industry. "Attrition is pretty high in the industry these days. For instance, the attrition rate in Max Healthcare is 34-36 per cent. I would not call it critical but
definitely important enough to be addressed,” shares Surajit Banerjee, Director HR, Max Healthcare, Delhi.

With attrition, the organisation loses key skills, knowledge and business relationships. Shares Somnath Chakravorty, CEO, GM Modi Hospital, Delhi, "Whenever a well-trained and well-adapted employee leaves any organisation, it creates a void that is tough to fill."

To find a substitute is always a key challenge in this case. He adds that recruiting and training programmes for employees is an expensive affair. The company has to invest a lot while recruiting an employee. But the situation gets worse when attrition happens at a key skill position, as there is already a scarcity of such resources in the market. So how does one deal with such a situation? "Though it is a challenging phase, one has to be prepared well in advance. Either one hires a well-trained person on a higher salary or hire someone at the lower salary," Banerjee suggests.

Attrition amongst Nurses

Recruiting and retaining nurses is fast becoming a point of concern for Indian hospitals. According to HR experts, attrition rate among nurses is the highest, varying from 28 per cent and 35 per cent as compared to the average 10.1 per cent healthcare sector attrition rate for 2005. Estimates suggest that the nurse to population ratio was 1:1,264 in 2004 in India, while it is 1:100-200 in Europe.

Attrition rates among nurses were the highest because of their high demand in foreign countries. There has been a faster rate of nurses leaving the country, over the last couple of years, for jobs in the UK or the US. India churns out the highest number of trained nurses in the world and mature nursing professionals are opting out of the system and following
growth opportunities. According to the healthcare industry analysts, the list of countries choosing from India's pool of trained nurses is growing from the traditional 'Gulf Region' or West Asia, to the UK, the US and even Africa.

Ankush Gupta, Senior Manager-HR, Hinduja Hospital, says, "The attrition rates have increased in the last decade. We have always been the exporter of medical and nursing talent worldwide and now the extra thrust on healthcare development in Middle East and African region will further fuel it." There is definitely a shortage of nurses in the country, particularly 'specialised nurses'. The demand from other countries is recognition of the skills of Indian nurses. However, there are not too many courses for specialized training to deal with emergency situations. According to industry estimates, the current day requirement is for about 10.3 lakh nurses. At present, there are roughly nine lakh nurses registered with various nursing councils in India. Thousands have already migrated to greener pastures overseas. There are thousands more waiting in the pipeline, signed up with commercial chains that facilitate migration of nurses. In fact, there is a boom in the number of agencies helping nurses find jobs overseas. An Indian nurse can expect to earn anything between $40,000 and $60,000 for a staff job in these countries. A nursing supervisor can earn around $80,000. And with overtime, they can add another 20,000 to 30,000 dollars to their salary. Not surprisingly, nurses are flocking to foreign countries. The high attrition levels are also because there is limited upside to nursing as a career. While doctors are paid well in private hospitals, than in a Government institution, the case is reversed for nurses, who are better looked after in public hospitals. The present shortage may not yet be crippling large hospitals in big cities, but is mainly felt in small towns or rural areas. Because of the acute shortage, many hospitals are today hiring unregistered nurses to cope with their basic needs. Also, poaching of staff from other hospitals has become rampant. The constant churn in nursing
staff inevitably means a huge monetary drain for hospitals which have to constantly plough in more funds for training.

**Multiple Reasons**

Though many HR experts believe that people leave mostly for money; a significant factor is that most people leave because of their bosses. To put it simply, they do not gel well with their bosses. "Time and again most studies have proved that employees never leave the company, they leave their bosses. An inefficient boss creates poor work culture, which is one of the frequent reasons for quitting," shares Banerjee. In addition, attrition also happens when people hate their working conditions, do not like their team-mates or perhaps do not like what they are doing. There are also cases when people leave their job for family reasons or when they wish to migrate. For example, girls often leave their jobs when they get married and shift to another city. It is common to hear 'the organisational work culture is not good so, I can't work.' Well, it is the organisational culture which determines who stays and who goes. The culture of an organisation is determined by the quality of the relationship between bosses and their subordinates.

Employers often fail to understand the importance of providing opportunities for development of their employees or their career growth. "Hospitals have limitations in providing a robust career progression plan. Also, salaries peak out within the system because various reasons like collaterals at the same level of hierarchy etc," opines Gupta. The cumulative average growth rate that an employee gets does not help him/her to meet the ends and then they start looking out. A conducive working atmosphere, good culture, training and career growth with adequate salary are some provisions that control attrition. Banerjee asserts that communication is given a lot of importance at Max Healthcare. Moreover a lot of medical services-mainly OPD-is provided to employees (to an extent, free). He adds that people who leave Max Healthcare want to join back. Banerjee points that she has also seen a trend of employees leaving for other organisation just to experience another work place. Also, many people leave because they come with certain aspirations to a hospital and
when these aspirations fail, employees quit. The maximum attrition takes place at middle level management as these are the people who hit the growth ceiling in a very short span of time and find that further growth in the system would be very slow. Also, when the new facilities find it difficult to get talent who has exposure to hospital industry, they attract them with better offers.

For an organisation, the key lies in understanding and fulfilling those aspirations. Chakravorty adds that the organisation is viewed as a place where employees meet their aspirations of growth and development, values of trust, teamwork and transparency. If a company respects them and their skills, realise their potential and provide them with a healthy environment to learn and grow with flexible compensation, employees take that as a strong reason to stay on. To tackle the problem of growth, Chokravorty points out that the growth career path should also be spelt out clearly and employees must be made aware of those processes and growth path that they can expect. He adds that processes should be clearly defined. If there is a discrepancy, then the individual should be able to question it. He opines that there should be a focus on areas like training, career development and believes in equipping workforce better on the professional front.

**Retention Tools**

Fair HR practices, equal growth opportunities, compensation on par with the market standards are some of the tools which can be applied to counter attrition. The best retention tools used over time and again are performance-based salaries, prerequisites or designations. A hospital which does not pay attention to these is bound to lose its employees. "I should not appraise someone merely because I like his/her face. Unfortunately this is what is happening now. There is a lack of clearly defined appraisal parameters as well," shares Chakravorty.

95
Moreover, employees should be awarded from time to time for their performance. It all boils down to the boss and the organisational environment. If the environment is such where the work is recognised and appreciated, it helps.

It is important to keep an eye on fast track people who are intelligent and excellent performers. Performance is a primary requirement. Therefore, excellent performers should be valued. They should be identified, nurtured and provided growth opportunity. Else, they will move on because there are enough opportunities for them in the market.

Shravan Talwar, CEO, Moolchand Medcity, New Delhi, shares his strategy to retain employees, "We believe that physicians are an intrinsic part of a medical institution. Moolchand physician relationships are built and evaluated under the umbrella of canvas; a platform where all physicians can voice their opinion, share their ideas, dreams, aspirations, and so on. We have a separate department that looks after the needs and requirements of the physicians and their respective departments; and regularly organises clinical meetings, review meetings, CMEs, symposia, conferences, nursing education programme, clinical research programme, etc from time to time basis."

According to Kulbhushan Rastogi, Senior Manager, HR, Sir Ganga Ram Hospital, New Delhi, the medical staff looks for growth and learning opportunities. To retain them one should provide them academic and research platforms for them to grow and utilise their knowledge. It is also important to involve the employee in decision making processes.

"Being able to contribute to growth of the organisation makes one stay. There are times where one or the other team member feels left out and is not at all involved in important team decisions. This makes the employee feel neglected and ultimately dissatisfied. At that time even money will not help to retain that employee," shares Dr Rajeev Malhotra, VP,
Medical Operations, Rockland Hospital, Delhi. Even if you are not the best industry payer but you take good care of the employee, the employee will not move out. The point is to ensure employee satisfaction.

Ravinder Kaur, Deputy GM, HR, Apollo Hospital, Hyderabad, shares her own experience in her previous stint with one of the famous hospitals. "One of the cardiac OT nurse had resigned in the hospital. During the exit interview, I discovered the reasons for her resignation from the job (as she had small child of six months and no one to look after her child back home). A competent cardiac OT nurses means lot to the hospital. The challenge was to retain her and how. I had some thoughts on opening of creche for female employees children. The idea was presented to the leadership team and in 10 days time creche was ready. The same employee withdrew her resignation and we could retain one wonderful staff member."

**Role of HR**

The first step is hiring. Internal reference has proven to be a very important tool in reducing attrition. Also a deep analysis of the candidate's background, adaptability, likes and dislikes will definitely help a company to reduce attrition. "Hospitals as an industry is young, which really needs to arm well with its 'talent' and 'management' of the same. In simple words--talent management, ie holistic view of employee's life cycle during an employment, needs to be taken care of," says Kaur. Dr Malhotra points out that while hiring, one should not promise more than one can provide. One should be very realistic in making promises, be it salary or be it perks or be it growth.
Also like in every industry, most talented people often have the tendency to move on for greener pastures. Their reason is their eagerness to climb up the ladder by shifting from one company to another. Chakravorty opines, "The need of the hour is to hire 'stayers' (people who are willing to stay in a company for long) and convert them into stars with training and development."

There is a dire need for HR to focus on creating a good work culture and work out different strategies in line with organisational philosophy. "It's time that HR widens from recruitment to creating a better work place," shares Chakravorty. The HR has to find a mix of growth, learning opportunity and pay attention to employees' personal needs and participation. "The needs of the employees should be regularly found out through open communication and feedback mechanisms. This will maintain consistency in performance and high motivation levels," concludes Banerjee, positive.

**High performance work practices and turnover**

There have been a number of studies into the impact of high performance work practices on a number of organizational outcomes. In a large-scale survey of 885 USfirms, Huselid (1995) concluded that the use of such practices had a statistically significant impact on turnover concluding that high performance work practices lead to lower turnover. However, a later study of New Zealand firms came to a slightly different conclusion. Guthrie (2001) suggested that the use of high performance work practices may have implications for the effect of turnover on productivity. His explanation is that the use of such practices increases the value and importance of human capital (ie
employees become more valuable to the organisation) and hence the cost of employee departures. A Canadian study (Statistics Canada, 2003) found that the use of such practices appeared to be related to lower quit rates in high-skill service industries. However, while there was some evidence of this link in lower skill services, it was not as great as for high-skill services. The authors also found very little evidence that such practices reduce quit rates in manufacturing. However, one particular practice – self-directed work groups – appeared to be associated with lower quit rates in manufacturing.

Conclusions

This review of turnover literature identifies a range of factors that have been shown to be consistently linked to turnover. These include organisational commitment, job satisfaction, alternative opportunities and intentions to quit. Evidence on the role of pay is still somewhat inconclusive, although keeping pay in line with market rates is certainly critical to retaining staff. Apart from age and tenure, personal characteristics of employees appear to have little relationship to turnover. While these factors can help employers understand the general nature of turnover and its likely causes, the retention strategies adopted within industries and organisations tend to cover a unique mix of measures and approaches specifically targeted at the particular problem they face. Understanding the problem is key to devising ineffective retention strategy. Access to both quantitative and qualitative data is necessary for understanding levels of turnover across occupations, sites and for particular groups of employees as well as for identifying the underlying causes of turnover. Further investigation of turnover in the meat processing industry could include an examination of turnover data to establish whether turnover is uniformly high across the industry or whether there are differences between establishments in the same local labour market. The collation of
qualitative data through employee surveys either at industry level or within particular establishments may be useful for identifying sources of dissatisfaction, intentions to leave, and any underlying causes of turnover.

**Literature review on labour turnover and retention strategies**

**Method**

MINTRAC commissioned cart to undertake a literature review examining the causes of high labour turnover in a range of industries in Australia and overseas. The review examined a wide range of factors that could contribute to high labour turnover including characteristics of employees, recruitment practices, wages and conditions and career development opportunities. Factors of particular interest to MINTRAC, such as the impact of target income workers, the role of training, industry seasonality and the consequences of rural isolation, were considered. In addition, the results of a recent study on mobility in the Australian labour market are presented. The second part of the literature review presents some of the strategies used by employers to increase retention of staff and discusses the different ways in which turnover can be measured and costed.

**Causes of labor turnover**

**Introduction**

Employee turnover is a much studied phenomenon. There is a vast literature on the causes of voluntary employee turnover dating back to the 1950s. By developing multivariate models that combine a number of factors contributing to turnover and empirically testing the models researchers have sought to predict why individuals leave organisations. Many studies are
based on only a small number of variables which often only explain a small amount of variability in turnover. Another criticism of turnover studies is that they do not adequately capture the complex psychological processes involved in individual turnover decisions. A recent study of turnover by Boxall et al (2003) in New Zealand confirmed the view that motivation for job change is multidimensional and that no one factor will explain it. However, over time there have been a number of factors that appear to be consistently linked to turnover. An early review article of studies on turnover by Mobley et al (1979) revealed that age, tenure, overall satisfaction, job content, intentions to remain on the job, and commitment were all negatively related to turnover (i.e. the higher the variable, the lower the turnover). In 1995, a meta-analysis of some 800 turnover studies was conducted by Hom and Griffeth, which was recently updated (Griffeth et al, 2000). Their analysis confirmed some well-established findings on the causes of turnover. These include: job satisfaction, organisational commitment, comparison of alternatives and intention to quit. These variables are examined in more detail below, as are a number of other factors where the evidence on the link to turnover is less conclusive.

Comparison of alternatives

Aggregate level economic studies provide consistent and significant evidence of the impact of labour market conditions on turnover rates at an aggregate level. As Mobley et al (1979) pointed out, at an aggregate level the relationship between economic factors such as employment levels or job vacancies and turnover has been well established. At an individual level, the labour market approach emphasizes expected utility and rational economic choice among employees and the perceived availability of alternative job opportunities. The relationship between alternatives and turnover on an individual level has been researched
widely since March & Simon’s 1958 seminal work on ease of movement. Much of the subsequent research focused on the link between job satisfaction, perceived alternative opportunities and turnover. Later, researchers began to focus on the role of both actual and perceived opportunities in explaining individual turnover decisions. Subsequent research has indicated that actual alternatives are a better predictor of individual turnover than perceived opportunities. Research on the impact of Unemployment rates as a proxy for actual opportunities in employee turnover revealed that unemployment rates affected the job-satisfaction/turnover intent relationship but not actual turnover (Kirschenbaum & Mano-Negrin, 1999). They concluded that macro level analysis predicted turnover patterns but perceptions of opportunities did not. This point was reinforced in their study on medical centres in various locations used measures of perceived and objective opportunities in internal and external labour markets. The authors concluded that objectives opportunities were a better set of explanations of actual turnover behaviour than either perceived internal or external labour market opportunities. Nevertheless, while actual alternatives appear to be a better predictor of turnover, there is also well-established evidence of the link between perceived alternatives and actual turnover. In their most recent meta-analysis, Griffeth et al (2000) confirmed that perceived alternatives modestly predict turnover.

**Intentions to quit**

Much of the empirical research on turnover is based on actual turnover, although some studies are based on intentions to quit. Apart from the practical difficulty in conducting turnover research among people who have left an organization, some researchers suggest that there is a strong link between intentions to quit and actual turnover. Mobley et al (1979) noted that the relationship between intentions and turnover is consistent and generally
stronger than the satisfaction-turnover relationship, although it still accounted for less than a quarter of the variability in turnover. Much of the research on perceived opportunities has been found to be associated with intentions to leave but not actual turnover (Kirschenbaum & Mano-Negrin, 1999). One of the possible reasons is that intentions do not account for impulsive behavior and also that turnover intentions are not necessarily followed through to lead to actual turnover.

Organizational commitment

Many studies have reported a significant association between organisational commitment and turnover intentions (Lum et al, 1998). Tang et al’s (2000) study confirmed the link between commitment and actual turnover and Griffeth et al’s (2000) analysis showed that organisational commitment was a better predictor of turnover than overall job satisfaction. Researchers have established that there are different types of organisational commitment. Allen & Meyer (1990) investigated the nature of the link between turnover and the three components of attitudinal commitment: affective commitment refers to employees’ emotional attachment to, identification with and involvement in the organisation; continuance commitment refers to commitment base on costs that employees associate with leaving the organisation; and normative commitment refers to employees’ feelings of obligation to remain with the organisation. Put simply, employees with strong affective commitment stay with an organisation because they want, those with strong continuance commitment stay because they need to, and those with strong normative commitment stay because they feel they ought to. Allen and Meyer’s study indicated that all three components of commitment were a negative indicator of turnover.
Job satisfaction

The relationship between satisfaction and turnover has been consistently found in many turnover studies (Lum et al, 1998). Mobley et al 1979 indicated that overall job satisfaction is negatively linked to turnover but explained little of the variability in turnover. Griffeth et al (2000) found that overall job satisfaction modestly predicted turnover. In a recent New Zealand study, Boxall et al (2003) found the main reason by far for people leaving their employer was for more interesting work elsewhere. It is generally accepted that the effect of job satisfaction on turnover is less than that of organisational commitment. The link between satisfaction and commitment Some researchers have established a relationship between satisfaction, organisational commitment and turnover. Lum et al’s (1998) study of paediatric nurses suggested that organisational commitment has the strongest and most direct impact on the intention to quit whereas job satisfaction has only an indirect influence. They suggested that satisfaction indirectly influences turnover in that it influences commitment and hence turnover intentions. (Mueller & Price, 1990 cited in Lum). Elangovan (2001) noted that the notion of job satisfaction and organisational commitment being causally related has not been incorporated in most turnover models. His study indicated there were strong causal links between stress and satisfaction (higher stress leads to lower satisfaction) and between satisfaction and commitment (lower satisfaction leads to lower commitment). He further noted a reciprocal relationship between commitment and turnover intentions (lower commitment leads to greater intentions to quit, which in turn further lowers commitment). In summary, only commitment directly affected turnover intentions.

Characteristics of employees

Despite a wealth of research, there appear to be few characteristics that meaningfully predict
turnover, the exceptions being age and tenure. Age is found to be negatively related to turnover (i.e. the older a person, the less likely they are to leave an organisation). However, age alone explains little of the variability in turnover and as age is linked to many other factors, alone it contributes little to the understanding of turnover behaviour.

Tenure is also negatively related to turnover (the longer a person is with an organisation, the more likely they are to stay). Mangione in Mobley et al concluded that length of service is one of the best single predictors of turnover. Griffeth et al also found that age and tenure have a negative relationship to turnover. There is little evidence of a person’s sex being linked to turnover. Griffeth et al’s 2000 meta-analysis re-examined various personal characteristics that may be linked to turnover. They concluded that there were no differences between the quit rates of men and women. They also cited evidence that gender moderates the age-turnover relationship (i.e. women are more likely to remain in their job the older they get, than do men). They also found no link between intelligence and turnover, and none between race and turnover.

**Wages and conditions**

The research conducted on the link between dissatisfaction with pay and voluntary turnover appears to be inconclusive. Mobley et al (1979) concluded that results from studies on the role of pay in turnover were mixed but that often there was no relationship between pay and turnover. Other studies found no significant relationship. On the other hand Campion (1991) cited in Tang suggests that the most important reason for voluntary turnover is higher wages/career opportunity. Martin (2003) investigates the determinants of labour turnover using establishment-level survey data for the UK. Martin indicated that there is an inverse relationship between relative wages and turnover (ie establishments with higher relative pay
had lower turnover). Pay and performance Griffeth et al (2000) noted pay and pay-related variables have a modest effect on turnover. Their analysis also included studies that examined the relationship between pay, a person’s performance and turnover. They concluded that when high performers are insufficiently rewarded, they leave. They cite findings from Milkovich and Newman (1999) that where collective reward programs replace individual incentives, their introduction may lead to higher turnover among high performers.

**Flat-rate versus piece-rate pay systems**

Taplin et al (2003) conducted a large-scale turnover study in the British clothing industry. Two factors emerged as the most significant reasons for employees leaving the industry. One was the low level of wage rates in the clothing industry relative to other manufacturing sectors. The other reason referred to industry image with staff leaving because of fears relating to the long-term future of clothing manufacture in the UK. In this study, turnover rates were highest among the most skilled workers. The study also examined the role of payment systems in turnover. The researchers found that where there were flat-rate payment systems alone, average turnover exhibited a statistically significant difference from the industry mean (ie they were 4.5 per cent lower). However, most firms in the clothing industry adhered to piece rate payment systems finding it to be the most effective way of regulating the effort-bargain. This is, in the authors’ view, despite anecdotal evidence that many skilled workers dislike its unpredictability and new entrants to the workforce lack the skills to maximize their earnings potential. Attitudes to money For some individuals pay will not be the sole criterion when people decide to continue within an existing job. In their study of mental health professionals, Tang et al (2000) examined the relationship between attitudes towards money, intrinsic job satisfaction and voluntary turnover. One of the main findings of this study is that voluntary turnover is high among employees who value money (high
money ethic endorsement), regardless of their intrinsic job satisfaction. However, those who do not value money highly but who have also have low intrinsic job satisfaction tended to have the lowest actual turnover. Furthermore, employees with high intrinsic job satisfaction and who put a low value on money also had significantly higher turnover than this second group. The researchers also found that placing a high value of money predicted actual turnover but that withdrawal cognitions (ie thinking about leaving) did not. Training and career development Martin (2003) detected a complex relationship between turnover and training. He suggested that establishments that enhance the skills of existing workers have lower turnover rates. However, turnover is higher when workers are trained to be multi-skilled, which may imply that this type of training enhances the prospects of workers to find work elsewhere. The literature on the link between lower turnover and training has found that off-the-job training is associated with higher turnover presumably because this type of training imparts more general skills (Martin, 2003).

**Impact of training on mobility**

Shah and Burke (2003) reviewed some of the literature on the relationship between turnover and training. In a British study examining the impact of training on mobility, Green et al (2000) concluded that, in aggregate, training has on average no impact on mobility. However, training that is wholly sponsored by the individual (or their families) is on balance likely to be a prelude to job search. In contrast, when employers pay for training the downward effect on mobility is more likely. Lynch (1991, 1992) concluded that both on-the-job and off-the-job training have a significant effect on job mobility. While formal on-the-job training reduces the likelihood of mobility, particularly for young women, off-the-job training increases the likelihood of mobility. In a study of six local labour markets in Britain, Elias
(1994) found that women who received employer-provided and job-related training had a lower probability of changing employer or making the transition to non-employment, but for men training made no significant difference to this type of turnover.

**Effect of vocational training**

In a study examining the effect of apprenticeships on male school leavers in the UK, Booth and Satchell (1994) found that completed apprenticeships reduced voluntary job-to-job, voluntary job-to-unemployment and involuntary job termination rates. In contrast, incomplete apprenticeships tended to increase the exit rate to these destinations relative to those who did not receive any training. Winkelmann (1996) reported that in Germany apprenticeships and all other types of vocational training reduce labour mobility in spite of the fact that the German apprenticeship training is intended to provide general and thus more transferable training.

**Career commitment**

Chang (1999) examined the relationship between career commitment, organizational commitment and turnover intention among Korean researchers and found that the role of career commitment was stronger in predicting turnover intentions. When individuals are committed to the organization they are less willing to leave the company. This was found to be stronger for those highly committed to their careers. The author also found that employees with low career and organizational commitment had the highest turnover intentions because they did not care either about the company or their current careers. Individuals with high career commitment and low organisational commitment also tend to leave because they do not believe that the organisation can satisfy their career needs or
goals. This is consistent with previous research that high career committers consider leaving the company if development opportunities are not provided by the organisation. However, this group is not apt to leave and is likely to contribute to the company if their organisational commitment is increased. Chang found that individuals become affectively committed to the organisation when they perceive that the organisation is pursuing internal promotion opportunities, providing proper training and that supervisors do a good job in providing information and advice about careers.

Rural or remote areas and lifestyle factors

A 2001 study of the factors influencing the recruitment and retention of nurses in rural and remote areas in Queensland found that overall work-related factors were considered to be more important in decisions by nurses to leave rural and remote nursing practice. The five major factors influencing decisions to leave rural or remote area nursing practice were management practices, emotional demands of work, workable communication, management recognition of work and family responsibilities. The findings regarding lifestyle factors appear to be mixed. On the one hand, ‘rural lifestyle’ was ranked as the third most important factor for staying in rural and remote practice and, similarly, ‘sense of belonging to the community’ was ranked fifth. However, when respondents were asked to identify the most important factors that influenced them to leave rural and remote health services, just under 40 per cent of respondents cited issues related to the isolation caused by distance from basic amenities as one inducement for them to resign. These issues included travelling long distances to basic social and commercial activities, distance from family, friends and medical specialists, the comparatively high cost of living and a lack of communication facilities such as the Internet, which would mitigate personnel and professional isolation.
The employment difficulties of non-metropolitan life were also a contributing reason for nurses’ decisions to leave practice. For example, unavailability of suitable employment or career development opportunities for their spouse was cited by 21 per cent of respondents. Some respondents with children (16 per cent) also identified access to suitable education, childcare facilities and specialist medical expertise, which are not usually available outside densely populated areas, as factors influencing leaving decisions.

Other factors contributing to turnover

Turnover studies have highlighted the relationship between turnover and a range of other factors. Some of these findings are presented briefly below.

The role of ‘shocks’ Lee & Mitchell’s (1994) ‘unfolding model’ of employee turnover represented a significant departure from the previous labour market- and psychological-oriented turnover literature. This model is based on the premise that people leave organizations in very different ways and it outlines four decision pathways describing different kinds of decisions to quit. A notable feature of the unfolding model is its emphasis on an event or ‘shock’ (positive or negative) that prompts some decisions to quit. Morrell et al (2004) tested the unfolding model by studying the voluntary turnover of nurses in the UK. Their findings indicated that shocks play a role in many cases where people decide to leave. Furthermore, they found that shocks not only prompted initial thoughts about quitting but also typically had a substantial influence over the final leaving decision. They also noted that decisions to quit prompted by a shock are typically more avoidable. The authors suggest that their research illustrates the importance for managers of understanding availability i.e. the extent to which turnover decisions can be prevented.
Organizational size

Kirschenbaum & Mano-Negrin (1999) indicated that turnover is affected by organisational size, with size being the key mediator of an organisation’s internal labour market. They suggest that organizational size impacts on turnover primarily through wage rates but also through career progression paths. Developed internal organizational labor markets produce lower departure rates since promotion opportunities have a strong negative influence on departures for career-related reasons.

Unionisation

Martin (2003) looked at the effect of unions on labour turnover and found clear evidence that unionism is associated with lower turnover. He suggested that lower turnover is a result of the ability of unions to secure better working conditions thus increasing the attractiveness for workers of staying in their current job. According to Martin, the relationship between lower turnover and unionization has been well established by researchers using both industry-level and individual data.

Influence of co-workers

A 2002 study by Kirschenbaum and Weisberg of 477 employees in 15 firms examined employees’ job destination choices as part of the turnover process. One of their main findings was that co-workers’ intentions have a major significant impact on all destination options - the more positive the perception of their co-workers desire to leave, the more employees themselves wanted to leave. The researchers suggest that a feeling about co-workers’ intentions to change jobs or workplace acts as a form of social pressure or justification on the employee to make a move.
Supervision/management

Mobley et al (1979) concluded that a number of studies offered moderate support for a negative relationship between satisfaction with supervision and turnover (ie the higher the satisfaction with supervision, the lower the turnover).

Behavioural predictors

Some research (Hulin cited in Griffeth et al, 2000) implies that lateness and absence can be predictors of turnover because they represent withdrawal responses from the organisation.

Mobility in the Australian labour market

Shah and Burke’s (2003) report provides estimates of job and occupational labour mobility in Australia. It also provides information on the effects of demographic educational and labour market variables on the probability of job separation using data from the ABS Labour Mobility survey for 2002. It is important to note that the ABS survey does not directly measure turnover but asks respondents whether they have changed jobs in the preceding 12 months. As such, the concept of mobility used in this study is not directly comparable with turnover but can arguably give some indication of the nature of job separation in Australia. In the ABS survey, movers are defined as those people who stopped working in a job sometime in the current year, and can be job leavers or job losers Some of the main conclusions of the report with relevance for MINTRAC are outlined below.

Types of employment

Part-time workers have a much higher rate of job separation than full-time workers. The effect is larger for men probably because part-time work is likely to be casual and hence
short-term. At any given age, job separation is more likely for male part-time workers than for female part-time workers.

**Migrants**

The chances of job separation are significantly higher for recently arrived migrants than for Australian-born workers. Recently arrived migrants are less likely to have established roots in a particular location or with a particular employer and therefore more likely to consider alternative job offers. Migrants from the main English-speaking countries had higher separation rates than other migrants, who presumably had a greater need to improve their English language competency, and to accumulate work experience with a single employer.

**Regional areas**

Workers in non-metropolitan areas are significantly less likely to remain in the same occupation than workers in metropolitan areas. This means that workers in non-metropolitan areas either have higher chances of not being employed or have higher chances of moving to another occupation.

**Occupation**

In general, the lower the skill levels of the occupation (short-term and casual jobs are concentrated in lower-skill occupations) the higher the rate of job separation.
Retention strategies, Understanding turnover

The academic literature (Dalton et al cited in Abelson, 1987) suggests that differentiating avoidable and unavoidable turnover (from the organization’s point of view) can help organizations to understand voluntary turnover more fully. Avoidable reasons include employees leaving to find better pay or working conditions elsewhere, problems with management or leaving for better career opportunities. Unavoidable reasons - which are beyond the organization’s control - include, for example, an employee having to move because of relocation by a spouse or leaving to fulfill family or caring responsibilities. If an organization can identify that much of its voluntary turnover is unavoidable it may profit better from initiatives that seek to manage turnover after the event rather than expend resources on implementing preventative measures. On the other hand, if the bulk of turnover is avoidable this offers the potential for targeted intervention. However, if managers assume the turnover problem to be largely unavoidable, they may fail to recognize turnover as a symptom of underlying problems within the organization.

Labour market issues

Another step towards understanding turnover within an organisation is to determine whether retention difficulties are caused by internal or external factors. While the role of labour market conditions in causing turnover may preclude the use of targeted human resource strategies, this information may be useful in analysing to what extent turnover is due to outside factors. However, although tight labour markets affect an employer’s ability to attract and retain staff, looking outwards at the local labour market cannot be a substitute for understanding what is going on within the organization.
Measuring turnover

Research suggests that to gain an accurate perspective of internal causes of turnover, it is useful to look at both quantitative and qualitative information (IDS, 2004). To identify underlying reasons for turnover, qualitative information on the reasons why employees have left is necessary. The UK Chartered Institute of Personnel and Development (CIPD) suggests that it is important employers have an understanding of their rates of labour turnover and how they affect the organisation’s effectiveness (CIPD, 2004). Depending on the size of the business, understanding the levels of turnover across occupations, locations and particular groups of employees (such as identified high performers) can help inform a comprehensive retention strategy. By understanding the nature of the turnover problem an organization can decide whether to adopt targeted retention initiatives, for example at particular sites or groups of employees, or to manage overall levels so that there is sufficient labour.

Wastage rates

Typically, organisations use the crude wastage rate for measuring turnover. This calculates the number of leavers in a given period as a percentage of the average number of employees during the same period. To calculate the average number of employees during a given period, organisations often add together the number of employees at the beginning of the period with those employed at the end of the period and divide it by two (IDS, 2004).

Crude wastage rate

The simplicity of this measure means there is less risk of different parts of the organisation supplying inconsistent data. However, the crude wastage rate has its limitations because it includes all types of leavers - involuntary leavers. A single measure of turnover that does not
distinguish between cases where people left because they were dissatisfied and where people left because of ill health or retirement will be inadequate because it treats leavers as a homogeneous group (Morrell et al, 2004). Furthermore, when calculating replacement figures it may be misleading to base them on crude wastage rates which include employees that do not need replacing (IDS, 2004). The crude wastage rate also makes no distinction between functional (ie beneficial) and dysfunctional turnover (CIPD, 2004).

**Resignation rates**

Another way of measuring turnover is to base turnover rates on voluntary leavers or resignation rates only, thus excluding employees who have left for other reasons such as retirement, redundancy, dismissal or redeployment to another part of the organisation. However, basing turnover rates on voluntary leavers can also have its drawbacks because it does not indicate how many staff need recruiting to cover those employees who have left because of retirement or voluntary internal transfers. One solution is to record separate turnover rates for voluntary and involuntary leavers (IDS, 2004). Wastage rates can also be used for specific groups of employees or different business units, which allows an organisation to detect differences in turnover within different parts of the organisation. Overall figures tend to mask potentially significant differences in turnover within an organisation (IDS, 2004). For example, high turnover in one area of the business could produce the same overall rate as a small number of leavers distributed evenly across the organisation, but the actions required to deal with these situations would be quite different. Examining turnover by department can identify any local issues or possible problems concerning particular line managers or to monitor turnover among groups of employees with scarce skills. Wastage rates can also be applied to employees with a certain length of service
(eg less than one year) which can help pinpoint ineffective recruitment, selection or induction p

**Vacancy rate**

Another approach is to place a greater emphasis on the number of vacancies that need to be filled. The vacancy rate is based on the number of positions an organisation actively wishes to recruit to as a percentage of the number of overall employees.

**Stability index**

This measure gives an indication of the extent to which experienced employees are being retained. It can be used to calculate the stability of the whole organisation or of a particular group of employees. It is usually calculated as the number of employees with one year’s service or more as a percentage of the number of people employed a year ago. This formula can be varied according to particular circumstances (eg basing it on a longer period of service). A rise in the stability index indicates the company is improving retention of more experienced staff. Normally, a wastage rate would be expected alongside a low level of stability. If both percentages are high, this indicates the organisation is experiencing problems with a small number of high turnover jobs.

**Cohort analysis**

This technique enables an organisation to understand service-related leaving patterns by taking the leaving rates of a (usually homogeneous) group of employees who joined at the same time. The resulting leaving rates can be plotted on a wastage or survival curve. Cohort analysis is a useful tool for organisations concerned about turnover costs due to high
expenditure on recruitment, induction and training.

Wastage and survival curves

For wastage curves the number of leavers is plotted against their length of service on leaving. A characteristic turnover pattern shows a high level for new starters, which then decreases with length of service. Alternatively, survival curves represent the number of people who stay against length of service, providing a measure of retention instead of turnover.

Exit interviews and surveys

Organisations typically obtain qualitative information on turnover through exit interviews and surveys. However, it is important to appreciate that the reasons people give for their resignations are frequently untrue or only partially true (CIPD, 2004). The use of exit interviews is widespread yet they can be unreliable, particularly when conducted by someone who may later be asked to write a reference for the departing employee. Where exit interviews are used it is best to conduct them a short time after the employee hands in their notice. The interviewer should be someone who has not had direct responsibility for the individual (ie as their line manager) and who will not be involved in future reference writing. Confidentiality should be assured and the purpose of the interview explained (CIPD, 2004). Alternative approaches involve the use of confidential attitude surveys which include questions about intention to leave and questionnaires sent to former employees on a confidential basis about six months after their departure.
Costing turnover

The extent of the impact of turnover on an organisation cannot be fully understood if there is no attempt to quantify the costs. The more complex approaches to costing turnover give a more accurate and higher estimate of the costs. Such approaches often take into account the costs associated with lost productivity (i.e., the productivity of a new employee during their first few weeks or months in the role and that of resignees during the notice period) and the effect on morale of the remaining workforce. One such framework is that proposed by Tziner and Birati (1996) which builds on the earlier Cascio model of separation costs, replacement costs and training costs. The authors demonstrate how their conceptual framework can be translated into a formula and applied in practice. The Tziner and Birati framework includes:  

- direct costs incurred in the replacement process (recruiting, hiring, training and socialising new employees, including the extra effort by supervisors and co-workers to integrate them)  
- indirect costs and losses relating to interruptions in production, sales and the delivery of goods to customers  
- financial value of the estimated effect on performance as a result of the drop in morale of the remaining workforce following dysfunctional turnover. While such approaches are arguably more accurate in that they cover all the costs associated with turnover, in practice these can prove too complex and time-consuming for many organisations. The UK Chartered Institute of Personnel and Development (CIPD) suggests that because of the difficulties involved in estimating and quantifying some of the indirect costs many organisations prefer to take a ‘not less than’ approach in attempting to cost turnover. According to the CIPD (2004), it is possible to compute a ‘not less than’ figure by working out what it costs on average to replace a leaver with a new starter in each major employment category. This figure can then be multiplied by the crude turnover rate for that employee group to calculate the total annual costs of
turnover. The CIPD suggests that the major turnover costs are:

- Administration of the resignation (including exit interviews)

- Recruitment costs (including advertising)

- Selection costs

- Costs of cover (temporary employees or overtime) during the vacancy period

- Administration of recruitment and selection process

- Induction training for new employees.

**Recruitment practices**

In high turnover industries in particular, a great deal of employee turnover consists of people resigning or being dismissed in the first few months of employment (CIPD, 2004). The costs of recruitment and turnover per individual become much greater when new staff leave after only a short period of time. Where new employees leave after a short period in the job, poor recruitment and selection decisions both on the part of the employer and employee are usually the cause, along with poorly designed or non-existent induction programs (CIPD, 2004). If expectations are raised too high during the recruitment process this can result in people accepting jobs for which they may be unsuited. Organisations often do this to ensure that they fill their vacancies with sufficient numbers of well-qualified people as quickly as possible. However, this can be counterproductive over the longer-term, as it can lead to costly avoidable turnover and to the development of a poor reputation in local labour markets. The CIPD (2004) suggests that employers give employees a realistic job preview at
the recruitment stage and take care not to raise expectations. It may also be useful to invite applicants to work a shift before committing themselves.

Retention strategies

An ID (2004) suggests that where there is a general turnover problem within the organization, companies often take a holistic approach aimed at fully engaging with staff. This may encompass a wide range of measures such as: improving recruitment procedures to ensure candidates receive a realistic impression of the company and the job supporting new recruits during the critical first few weeks in the job providing clear career paths, interesting work and support for personal development considering work-life balance issues keeping pay in line with appropriate market rates offering an attractive employee benefits package • creating a pleasant working environment communicating and consulting effectively with employees.

Examples of such measures are illustrated in more detail in the industry and organisational studies below.

Industry studies : Clothing industry

In Taplin et al’s (2003) study of the British clothing industry, employer initiatives to reduce turnover included a range of measures. Improving remuneration packages was the single most common initiative with changes to the payments systems made so that workers could increase their earnings. Also important were more rigorous screening procedures for new hires, and improved training programs designed to bring new workers up to speed so that they could maximise their piece rate earnings potential. Various quality of working life initiatives were introduced, such as flexible working hours and forms of employee
participation (e.g., works councils).

**Accommodation industry**

A recent study (Davies et al., 2001) examined the effect of three human resource strategies (performance appraisal, salary and benefit strategies), and training and development initiatives in the Western Australian accommodation industry. The authors concluded that only training and development indicated a reduced turnover of employees.

**Mining**

A study of turnover in ‘Fly-In Fly-Out’ (FIFO) mining operations in Australia (Beach et al., 2003) showed that turnover rates between mines operating within the same general labor market varied considerably, suggesting that the main drivers of turnover were often internal, rather than external to mine sites. In terms of managing turnover, sites which had lower turnover, was attributed to a combination of four factors: equitable remuneration; commitment to training and skills development; good management; and developing and maintaining a positive organizational culture. Managers at some sites indicated they tried to control turnover by recruiting for a good ‘person-organization’ fit.

**Case studies of organizations**

The retention strategies outlined here are based on organizational-specific initiatives. One of the problems with organizational-case studies is that their experience may not be generalizable, given that the causes of turnover and the resulting strategies are likely to be specific to a particular organization, a site or even a particular group of employees. Another problem is that where a combination of measures are used (which is often the case) it is very difficult to
attribute success to one particular element of the strategy. Nevertheless, some common practices can be drawn from these experiences that appear to be successful in helping to improve retention. The first two examples are academic studies while the following table summarizes the main features of the retention strategies adopted by a range of UK organizations to successfully improve retention.

**Hospital**

A Canadian study by Lum et al (1998) assessed the impact of certain pay policies upon the turnover intentions of pediatric nurses. Two types of salary supplements were introduced – bonuses to intensive care nurses only and a 5 per cent salary differential for all staff nurses – to reduce turnover. The supplements were structured in such a way as to have the most favorable influence on the senior staff nurses who were presumed to be the most experienced and those most valuable employees. Satisfaction with pay had both direct and indirect effects on turnover intent. They found that although pay satisfaction (unlike job satisfaction) was significantly associated with reducing intended turnover, its indirect effect upon turnover intent, mediated through job satisfaction and organizational commitment was weaker. In particular, nurses with greater experience were more satisfied with their pay and were less likely to leave, which was the anticipated effect of the salary supplements. The anecdotal evidence showed that the senior nurses perceived the pay supplements to be an important recognition of their contribution to the organization.

**Department store**

In a study of retail salespeople (Firth et al, 2003) found that job stressors (eg work overload, job ambiguity) are the factors that trigger the chain of psychological states that lead to
intention to quit. They suggested that supervisor support can reduce the impact of stressors on psychological states and intentions to quit. Monitoring workloads and supervisor-subordinate relationships by management may not only reduce stress but increase job satisfaction and commitment to the organization.

Need for innovative financing. This article was originally published in Nursing Leadership, 23(Special Issue) 2010]

Evidence of acute nursing shortages in urban hospitals has been surfacing since 2000. Further, new graduate nurses account for more than 50% of total nurse turnover in some hospitals and between 35% and 60% of new graduates change workplace during the first year. Critical to organizational success, first line nurse managers must have the knowledge and skills to ensure the accurate projection of nursing resource requirements and to develop proactive recruitment and retention programs that are effective, promote positive nursing socialization, and provide early exposure to the clinical setting.

The Nursing Human Resource Planning Best Practice Toolkit project supported the creation of a network of teaching and community hospitals to develop a best practice toolkit in nursing human resource planning targeted at first line nursing managers. The toolkit includes the development of a framework including the conceptual building blocks of planning tools, manager interventions, retention and recruitment and professional practice models. The development of the toolkit involved conducting a review of the literature for best practices in nursing human resource planning, using a mixed method approach to data collection including a survey and extensive interviews of managers and completing a comprehensive scan of human resource practices in the participating organizations. This paper will provide
an overview of the process used to develop the toolkit, a description of the toolkit contents and a reflection on the outcomes of the project.

Introduction

In 2008 the Nursing Secretariat of Ontario's Ministry of Health and Long-Term Care funded 17 demonstration projects aimed at developing and implementing best practice for nursing human resource planning. Nursing leaders at Mount Sinai Hospital, North York General Hospital, SickKids, St. Joseph's Hospital, St. Michael's Hospital, Sunnybrook Health Sciences Centre, Toronto East General Hospital and the Lawrence S. Bloomberg Faculty of Nursing at the University of Toronto created a partnership network and became one of the demonstration site projects. This paper describes and reflects on the development and dissemination of the Nursing Human Resource Best Practice Toolkit (NHRBPT).

Within the context of jurisdictional and national health human resources (HR) planning efforts, the NHRBPT project was designed to help organizations and first-line managers conduct effective nursing HR planning at the level of a patient care unit. The NHRBPT had three main objectives: (1) to create a partnership network that facilitated the sharing of knowledge regarding nursing HR planning practices among the hospitals, and ultimately with other jurisdictions, (2) to develop an HR best practice toolkit that focused on five identified building blocks: planning tools, manager interventions, recruitment, retention and professional practice, and (3) to develop and pilot a workshop format to disseminate the toolkit content. The partnership members' vision was to build nursing HR planning capability among nursing managers that would help attain optimal numbers of nursing staff with complementary skills, working in a healthy workplace environment to achieve the best patient outcomes (Beduz et al. 2009).
Developing a Toolkit for First-Line Nursing Managers

Health human resources are critical to meeting the health needs of Ontarians. Policy makers and healthcare managers are challenged to ensure that the right number of people, with the right skills, are available at the right time to deliver health services at an affordable cost. Nurses make up the largest group of healthcare providers in Ontario's healthcare system, and evidence of acute nursing shortages in large urban hospitals has been surfacing since 2000 (Baumann et al. 2006). While the nursing community agrees on the important aspects of nursing HR planning, there is little coordination in the application of evidence-based planning to practice (McGillis Hall et al. 2006). One reason for this has been a lack of readily available evidence-based planning tools that support organizations and nursing managers in effective planning, recruitment, integration and retention. As a result, front-line nursing managers are still challenged with effective nursing HR planning.

The NHRBPT is an attempt to bridge the gap between what we know about nursing HR planning and what we can do to improve the planning process and outcomes at the level of first-line nursing managers. Toolkits are collections of versatile, adaptable educational resources that are particularly useful for addressing complex issues. These issues change from one organization to another and require a high degree of local adaptation (Monroe 2000). When used by local champions, toolkits have been found effective in implementing selected best practice guidelines in a variety of healthcare organizations (Dobbins et al. 2005). More than a collection of information, the most useful toolkits have structured interactive content to facilitate users' learning. The decision to develop the NHRBPT resulted from senior nursing leaders recognizing a need to develop an evidence-informed, practice-ready resource for first-line nursing managers, coupled with a targeted
dissemination strategy to maximize the resource's adoption.

Methodology for NHRBPT Development

The NHRBPT was conceptualized using a guiding framework developed by an expert panel of representatives from the partnership network (Appendix 1). The framework reflects the network's vision, which is achieved when best practices in each of the five building blocks (planning tools, manager interventions, recruitment, retention and professional practice) are integrated into an overall plan. The plan is founded on the principles that HR planning is population based, comprehensive and long-term, uses a systems-based collaborative approach and is informed by evidence.

The building blocks selected for inclusion in the framework were developed following a literature review of human resources management concepts. They consisted of key strategies to consider in developing a comprehensive organizational HR plan (MOHLTC 2007). The rationale for selection of the building blocks is reported elsewhere (Burkoski and Tepper 2010). A number of steps were involved in developing the NHRBPT: An extensive review of the literature, research and published practices from other jurisdictions on HR practices was launched. An organizational survey was developed, along with a nurse manager survey and key informant interviews. Tools, templates and resources were collected from each of the partner organizations and analyzed. Details of the methods are described in the published toolkit, which can be downloaded from www.mountsinai.on.ca/nursing.

NHRBPT Format and Contents

The NHRBPT attempts to link the best available research evidence with local experience in order to inform decision-making for operational-level nursing HR planning. It is organized in discrete chapters based on each of the framework's five building blocks. The first chapter
describes the framework in greater detail. Each subsequent chapter, summarized below, synthesizes evidence and findings from the published literature combined with data from the partner organizations and key informant interviews. The final chapter provides important information about implementing and sustaining the HR planning strategies. The NHRBPT is designed to be practical; the reader follows a series of steps to achieve nursing HR planning. Each chapter follows a similar outline:

- Introduction and definition of the building block
- Review of the literature and a comparative analysis with findings from our data collection activities
- Common steps to achieve the chapter's goals
- A case study to facilitate interpretation and application of the content
- Sample tools and resources to help in the planning activities

NHRBPT Chapters Summarized

*Planning Tools for Nursing Human Resource Needs*

This chapter focuses on the process for assessing and determining nursing HR needs at the nursing unit level through use of structured tools such as nursing unit staffing projections and forecasting tools. Needs-based HR planning tools help nursing managers and other decision-makers determine workforce needs in both the short and long term. A number of tools are available to aid in decision-making processes, and they require access to appropriate data sources. Use of data such as utilization of nurses in full-time equivalents (FTEs), budgeted positions and workload measurement information is integrated with the forecasting process. An extensive case study demonstrates the utility of the data and planning tools.
Nursing Managers' Human Resource Interventions

Effective allocation of human resources is integral to the first-line nursing manager's role. The nursing manager's success in creating effective work teams and implanting flexible strategies has a positive impact on the quality of work life for staff and quality of care for patients. Planning for adequate deployment of nursing human resources is an essential skill. However, nursing managers receive little or no formal training in deployment strategies and scheduling practices. The focus of this section is on scheduling practices and tools.

Recruitment

Creating an integrated short- and long-term recruitment plan for a unit or organization is essential. This chapter focuses on recruitment strategies at the organizational and unit level. It identifies target groups for recruitment and explores target-specific recruitment strategies such as clinical placements, recruitment campaigns and mentorship/preceptor ship programs that attract nurses to an organization.

Retention

Organizations that are better able to recruit and retain staff have better evaluations of the quality of care that is provided. For example, hospitals with turnover rates under 12% have lower risk-adjusted mortality scores and low severity-adjusted lengths of stay when compared to hospitals with turnover rates of 22% or more (Cantrell and Browne 2006). The ability to retain staff members and reduce the turnover rate is an essential characteristic of a successful long-term HR planning process. This chapter focuses on emerging trends among new graduate nurses, mid-career and late career nurses and identifies age cohort-specific retention strategies. These strategies include intergenerational strategies, rewards, recognition, innovative scheduling and flexible work hours.
Professional Practice

Over the past two decades, the term "professional nursing practice" has become increasingly integrated and recognized within the nursing community. Professional practice, as an entity, is a system of strategic processes, including both extraprofessional and interprofessional factors that underpin the delivery of skilled, responsive nursing care and the control of a high-quality work environment. Organizational professional practice frameworks have been advocated as resources to help organizations guide the development, advancement and effectiveness of nursing performance standards, and to attract, retain and reward nurses (Robinson et al. 2003). This chapter focuses on an extensive review of the literature on best practices in professional nursing and steps for implementation at the unit and/or organizational level. Actions to develop nursing professionals, steps toward interprofessional collaboration and issues in policy-making and education are addressed.

Building Capability among Nursing Managers

We hosted an expert-facilitated workshop to disseminate the toolkit content to nurse managers. We used a unique knowledge translation strategy to build capability for HR planning among participants, using open space learning methodology. The full-day workshop was designed specifically to support first-line nurse managers in testing the applicability and usefulness of the HR planning toolkit. Each organization identified nursing managers to attend, and 52 participated. They represented all partner organizations and had a variety of managerial experience, ranging from one to 10+ years. Eighty-three percent of participants submitted an evaluation of the workshop. The majority claimed that the workshop was relevant to their work (95%), that it enabled them to achieve the stated objectives (79%) and that it would alter their practice (76%). Key areas identified for practice change related to the use of forecasting tools, scheduling and retention strategies. In
total, 96% of respondents said that the workshop met their expectations. Many commented on the networking opportunities the workshop offered. One participant suggested that "it was an excellent session as it gave the opportunity to engage with other managers across the GTA."

Potential barriers to implementing new nursing HR best practices identified by workshop respondents included:

- Budget constraints and concerns about buy-in from other leaders within their organizations;
- Challenges with time management to implement professional practice recommendations, especially for those managers with large spans of control;
- Negotiating creative nursing HR planning;
- The need for strong nursing leadership structure and involvement; and
- Competing priorities within teams and organizations.

Creating the partnership network and the subsequent NHRBPT project arose from a recognized immediate need for evidence-informed planning tools that support organizations and nursing managers in effective HR planning, recruitment, integration and retention of nurses. Beyond this project, organizations must continue to provide other forms of support, guidance and training to their nursing managers for creating a successful health HR plan. Feedback from the workshop indicates that nursing managers are most attuned to the subjects of retention, nursing manager interventions and HR planning. Workshop participants specifically highlighted the importance of strong leadership (at a variety of levels) and higher-level buy-in to implement new nursing HR best practices. Nursing managers may need to consider how they will approach the implementation of these best
practices, and whom they will address to achieve this buy-in.

NHRBPT Project Recommendations

Individual organizations in the partnership network have gained considerable expertise in HR planning. All partner organizations have benefited from the comprehensive review of nursing HR planning practices. From the process used to develop the toolkit contents – including the literature review, nursing manager and organizational surveys and interviews, and feedback from the workshop – the expert panel developed a set of recommendations. These recommendations, described below, should inform future action in nursing HR decision-making and planning.

Funding

Funding for future initiatives should be aimed at supporting the uptake and implementation of initiatives identified in the evidence and NHRBPT to advance the capacity of nursing HR planning at the organization and unit level.

Professional Development and Support for Nursing Managers

Role expectations, educational preparation and opportunities for professional development for first-line managers vary among organizations. Evidence suggests that there are specific leadership and management competencies for first-line nursing managers that are tied to outcomes for nurses, patients and organizations. Future initiatives should be aimed at defining core competencies and providing formal mechanisms to assist nursing managers in achieving them. Organizations should ensure that adequate training is provided to first-line nursing managers to ensure they are developing skills in effective HR management, including planning and forecasting; and recruitment, including interviewing, bias-free hiring, and use of different types of recruitment and retention strategies. In our interviews with
experts, all nursing managers stated that in learning about staffing and scheduling, most had relied on their colleagues for support or taught themselves. Formal mechanisms for learning staffing and scheduling techniques would have been very helpful to them as new nursing managers.

Internal and External Networking
Organizations should provide structures for internal and external networking for first-line managers. First-line managers identify peer mentoring and access to, and support from, their direct supervisor as the most common mechanisms for attaining competency in nursing HR planning and other leadership and management skills. Organizations should consider developing formal mentorship and support programs for first-line managers.

Consolidating Human Resource Information in Regular Reports
Organizations should provide nursing managers with consolidated and consistent reports of HR information in order to assist them to effectively manage and plan for nursing human resources. Currently, information tends to come from disparate sources and information systems at different time intervals. Strategies that seek to consolidate information in regular reports would improve the planning and evaluation cycle of nursing HR management. Integrated reports should include data on:

- Budgeted FTEs and utilization in FTEs for full-time, part-time, casual and agency staff;
- Utilization in FTEs for sick time, overtime, education, orientation and benefit hours such as vacation; and Retirement trends in past years and future projections based on age of staff.
Reviewing Scheduling and Staffing Procedures

Nursing managers should be provided with guidance in the understanding, analysis and utilization of reports on HR planning and encouraged to review their planning regularly. Regular reviews of staffing and scheduling procedures are recommended (minimum yearly) in order to be responsive to recruitment and retention issues. In addition, triggers such as staff complaints, increased sick time or overtime may warrant a review and further action.

Understanding the Link between Recruitment and Retention Creating healthy workplace environments and providing adequate training opportunities for new nurses, as well as supporting professional development, are important steps in both the recruitment and retention process.

Literature review on labor turnover and retention strategies

Method

MINTRAC commissioned cart to undertake a literature review examining the causes of high labor turnover in a range of industries in Australia and overseas. The review examined a wide range of factors that could contribute to high labor turnover including characteristics of employees, recruitment practices, wages and conditions and career development opportunities.

Factors of particular interest to MINTRAC, such as the impact of target income workers, the role of training, industry seasonality and the consequences of rural isolation, were considered. In addition, the results of a recent study on mobility in the Australian labor market are presented. The second part of the literature review presents some of the strategies used by employers to increase retention of staff and discusses the different ways in which
turnover can be measured and coasted.

**Causes of labour turnover**

**Introduction**

Employee turnover is a much studied phenomenon. There is a vast literature on the causes of voluntary employee turnover dating back to the 1950s. By developing multivariate models that combine a number of factors contributing to turnover and empirically testing the models researchers have sought to predict why individuals leave organizations. Many studies are based on only a small number of variables which often only explain a small amount of variability in turnover. Another criticism of turnover studies is that they do not adequately capture the complex psychological processes involved in individual turnover decisions. A recent study of turnover by Boxall et al (2003) in New Zealand confirmed the view that motivation for job changes multidimensional and that no one factor will explain it. However, over time there have been a number of factors that appear to be consistently linked to turnover. An early review article of studies on turnover by Mobley et al (1979) revealed that age, tenure, overall satisfaction, job content, intentions to remain on the job, and commitment were all negatively related to turnover (i.e. the higher the variable, the lower the turnover). In 1995, a meta-analysis of some 800 turnover studies was conducted by Hom and Griffith, which was recently updated (Griffeth et al, 2000). Their analysis confirmed some well-established findings on the causes of turnover. These include: job satisfaction, organizational commitment, comparison of alternatives and intention to quit. These variables are examined in more detail below, as are a number of other factors where the evidence on the link to turnover is less conclusive.
Comparison of alternatives

Aggregate level economic studies provide consistent and significant evidence of the impact of labor market conditions on turnover rates at an aggregate level. As Mobley et al. (1979) pointed out, at an aggregate level the relationship between economic factors such as employment levels or job vacancies and turnover has been well-established. At an individual level, the labor market approach emphasizes expected utility and rational economic choice among employees and the perceived availability of alternative job opportunities. The relationship between alternatives and turnover on an individual level has been researched widely since March & Simon’s 1958 seminal work on ease of movement. Much of the subsequent research focused on the link between job satisfaction, perceived alternative opportunities and turnover. Later, researchers began to focus on the role of both actual and perceived opportunities in explaining individual turnover decisions. Subsequent research has indicated that actual alternatives are a better predictor of individual turnover than perceived opportunities. Research on the impact of unemployment rates as a proxy for actual opportunities in employee turnover revealed that unemployment rates affected the job-satisfaction/turnover intent relationship but not actual turnover (Kirschenbaum & Mano-Negrin, 1999). They concluded that macro level analysis predicted turnover patterns but perceptions of opportunities did not. This point was reinforced in their study on medical centers in various locations used measures of perceived and objective opportunities in internal and external labor markets. The authors concluded that objectives opportunities were a better set of explanations of actual turnover behavior than either perceived internal or external labor market opportunities. Nevertheless, while actual alternatives appear to be a better predictor of turnover, there is also well-established evidence of the link between perceived alternatives
and actual turnover. In their most recent meta-analysis, Griffeth et al (2000) confirmed that perceived alternatives modestly predict turnover. Intentions to quit Much of the empirical research on turnover is based on actual turnover, although some studies are based on intentions to quit. Apart from the practical difficulty in conducting turnover research among people who have left an organization, some researchers suggest that there is a strong link between intentions to quit and actual turnover. Mobley et al (1979) noted that the relationship between intentions and turnover inconsistent and generally stronger than the satisfaction-turnover relationship, although it still accounted for less than a quarter of the variability in turnover. Much of the research on perceived opportunities has been found to be associated with intentions to leave but not actual turnover (Kirshenbaum & Mano-Negrin, 1999). One of the possible reasons is that intentions do not account for impulsive behavior and also that turnover intentions are not necessarily followed through to lead to actual turnover. Organisational commitment Many studies have reported a significant association between organizational commitment and turnover intentions (Lum et al, 1998). Tang et al’s (2000) study confirmed the link between commitment and actual turnover and Griffeth et al’s (2000) analysis showed that organizational commitment was a better predictor of turnover than overall job satisfaction. Researchers have established that there are different types of organizational commitment. Allen & Meyer (1990) investigated the nature of the link between turnover and the three components of attitudinal commitment: affective commitment refers to employees’ emotional attachment to, identification with and involvement in the organization; continuance commitment refers to commitment base on costs that employees associate with leaving the organization; and normative commitment refers to employees’ feelings of obligation to remain with the organization. Put simply, employees with strong affective commitment stay with an organization because they want, those with strong continuance commitment stay because they need to, and those with strong
normative commitment stays because they feel they ought to. Allen and Meyer’s study indicated that all three components of commitment were a negative indicator of turnover. In general, most research has found affective commitment to be the most decisive variable linked to turnover.

Job satisfaction

The relationship between satisfaction and turnover has been consistently found in many turnover studies (Lum et al, 1998). Mobley et al 1979 indicated that overall job satisfaction is negatively linked to turnover but explained little of the variability in turnover. Griffeth et al (2000) found that overall job satisfaction modestly predicted turnover. In a recent New Zealand study, Boxall et al (2003) found the main reason by far for people leaving their employer was for more interesting work elsewhere. It is generally accepted that the effect of job satisfaction on turnover is less than that of organizational commitment. The link between satisfaction and commitment Some researchers have established a relationship between satisfaction, organizational commitment and turnover. Lum et al’s (1998) study of pediatric nurses suggested that organizational commitment has the strongest and most direct impact on the intention to quit whereas job satisfaction has only an indirect influence. They suggested that satisfaction indirectly influences turnover in that it influences commitment and hence turnover intentions. (Mueller & Price, 1990 cited in Lum).Elangovan (2001) noted that the notion of job satisfaction and organisational commitment being causally related has not been incorporated in most turnover models. His study indicated there were strong causal links between stress and satisfaction (higher stress leads to lower satisfaction) and between satisfaction and commitment (lower satisfaction leads to lower commitment). He further noted reciprocal relationship between commitment and turnover intentions (lowe commitment leads to greater intentions to quit, which in turn further lowers commitment). In
summary, only commitment directly affected turnover intentions. Characteristics of employees Despite a wealth of research, there appear to be few characteristics that meaningfully predict turnover, the exceptions being age and tenure. Age is found to be negatively related to turnover (i.e. the older a person, the less likely they are to leave an organization). However, age alone explains little of the variability in turnover and as age is linked to many other factors, alone it contributes little to the understanding of turnover behaviour. Tenure is also negatively related to turnover (the longer a person is with an organization, the more likely they are to stay). Mangione in Mobley et al concluded that length of service is one of the best single predictors of turnover. Griffeth et al also found that age and tenure have a negative relationship to turnover. There is little evidence of a person’s sex being linked to turnover. Griffeth et al’s meta-analysis re-examined various personal characteristics that may be linked to turnover. They concluded that there were no differences between the quit rates of men and women. They also cited evidence that gender moderates the age-turnover relationship (i.e. women are more likely to remain in their job the older they get, than do men). They also found no link between intelligence and turnover, and none between race and turnover. Wages and conditions The research conducted on the link between dissatisfaction with pay and voluntary turnover appears to be inconclusive. Mobley et al (1979) concluded that results from studies on the role of pay in turnover were mixed but that often there was no relationship between pay and turnover. Other studies found no significant relationship. On the other hand Campion (1991) cited in Tang suggests that the most important reason for voluntary turnover is higher wages/career opportunity. Martin (2003) investigates the determinants of labor turnover using establishment-level survey data for the UK. Martin indicated that there is an inverse relationship between relative wages and turnover (ie establishments with higher relative pay
Pay and performance

Griffeth et al (2000) noted pay and pay-related variables have a modest effect on turnover. Their analysis also included studies that examined the relationship between pay, a person’s performance and turnover. They concluded that when high performers are insufficiently rewarded, they leave. They cite findings from Milkovich and Newman (1999) that where collective reward programs replace individual incentives, their introduction may lead to higher turnover among high performers.

Flat-rate versus piece-rate pay systems

Taplin et al (2003) conducted a large-scale turnover study in the British clothing industry. Two factors emerged as the most significant reasons for employees leaving the industry. One was the low level of wage rates in the clothing industry relative to other manufacturing sectors. The other reason referred to industry image with staff leaving because of fears relating to the long-term future of clothing manufacture in the UK. In this study, turnover rates were highest among the most skilled workers. The study also examined the role of payment systems in turnover. The researchers found that where there were flat-rate payment systems alone, average turnover exhibited a statistically significant difference from the industry mean (ie they were 4.5 per cent lower). However, most firms in the clothing industry adhered to piece rate payment systems finding it to be the most effective way of regulating the effort-bargain. This is, in the authors’ view, despite anecdotal evidence that many skilled workers dislike its unpredictability and new entrants to the workforce lack the skills to maximize their earnings potential.

Attitudes to money For some individuals pay will not be the sole criterion when people decide to continue within an existing job. In their study of mental health professionals, Tang
et al 2000) examined the relationship between attitudes towards money, intrinsic job satisfaction and voluntary turnover. One of the main findings of this study is that voluntary turnover is high among employees who value money (high money ethic endorsement), regardless of their intrinsic job satisfaction. However, those who do not value money highly but who have also have low intrinsic job satisfaction tended to have the lowest actual turnover. Furthermore, employees with high intrinsic job satisfaction and who put a low value on money also had significantly higher turnover than this second group. The researchers also found that placing a high value of money predicted actual turnover but that withdrawal cognitions (ie thinking about leaving)did not. Training and career development Martin (2003) detected a complex relationship between turnover and training. He suggested that establishments that enhance the skills of existing workers have lower turnover rates. However, turnover is higher when workers are trained to be multi-skilled, which may imply that this type of training enhances the prospects of workers to find work elsewhere. The literature on the link between lower turnover and training has found that off-the-job training is associated with higher turnover presumably because this type of training imparts more general skills (Martin, 2003). Impact of training on mobility Shah and Burke (2003) reviewed some of the literature on the relationship between turnover and training. In a British study examining the impact of training on mobility, Green et al (2000) concluded that, in aggregate, training has on average no impact on mobility. However, training that is wholly sponsored by the individual (or their families) is on balance likely to be a prelude to job search. In contrast, when employers pay for training the downward effect on mobility is more likely. Lynch (1991, 1992) concluded that both on-the-job and off-the-job training have significant effect on job mobility. While formal on-the-job training reduces the likelihood of mobility, particularly for young women, off-the-job training increases the likelihood of mobility. In a study of six local labor markets in Britain, Elias(1994) found that
women who received employer-provided and job-related training had a lower probability of changing employer or making the transition to non-employment, but for men training made no significant difference to this type of turnover.

**Effect of vocational training**

In a study examining the effect of apprenticeships on male school leavers in the UK, Booth and Satchell (1994) found that completed apprenticeships reduced voluntary job-to-job, voluntary job-to-unemployment and involuntary job termination rates. In contrast, incomplete apprenticeships tended to increase the exit rate to these destinations relative to those who did not receive any training. Winkelmann (1996) reported that in Germany apprenticeships and all other types of vocational training reduce labor mobility in spite of the fact that the German apprenticeship training is intended to provide general and thus more transferable training.

**Career commitment**

Chang (1999) examined the relationship between career commitment, organizational commitment and turnover intention among Korean researchers and found that the role of career commitment was stronger in predicting turnover intentions. When individuals are committed to the organization they are less willing to leave the company. This was found to be stronger for those highly committed to their careers. The author also found that employees with low career and organizational commitment had the highest turnover intentions because they did not care either about the company or their current careers. Individuals with high career commitment and low organizational commitment also tend to leave because they do not believe that the organization can satisfy their career needs or goals. This is consistent with previous research that high career committers consider leaving
the company if development opportunities are not provided by the organization. However, this group is not apt to leave and is likely to contribute to the company if their organizational commitment is increased. Chang found that individuals become affectively committed to the organization when they perceive that the organization is pursuing internal promotion opportunities, providing proper training and that supervisors do a good job in providing information and advice about careers. Rural or remote areas and lifestyle factors 2001 study of the factors influencing the recruitment and retention of nurses in rural land remote areas in Queensland found that overall work-related factors were considered to be more important in decisions by nurses to leave rural and remote nursing practice. The five major factors influencing decisions to leave rural or remote area nursing practice were management practices, emotional demands of work, workable communication, management recognition of work and family responsibilities. The findings regarding lifestyle factors appear to be mixed. On the one hand, ‘rural lifestyle’ was ranked as the third most important factor for staying in rural and remote practice and, similarly, ‘sense of belonging to the community’ was ranked fifth. However, when respondents were asked to identify the most important factors that influenced them to leave rural and remote health services, just under 40 per cent of respondents cited issues related to the isolation caused by distance from basic amenities as one inducement for them to resign. These issues included travelling long distances to basic social and commercial activities, distance from family, friends and medical specialists, the comparatively high cost of living and a lack of communication facilities such as the Internet, which would mitigate personnel and professional isolation. The employment difficulties of non-metropolitan life were also a contributing reason for nurses’ decisions to leave practice. For example, unavailability of suitable employment or career development opportunities for their spouse was cited by 21 percent of respondents. Some respondents with children (16 per cent) also identified access to suitable education, childcare facilities and specialist medical
expertise, which are not usually available outside densely populated areas, as factors influencing leaving decisions. Other factors contributing to turnover Turnover studies have highlighted the relationship between turnover and a range of other factors. Some of these findings are presented briefly below. The role of ‘shocks ‘Lee & Mitchell’s (1994) ‘unfolding model’ of employee turnover represented significant departure from the previous labor market- and psychological-oriented turnover literature. This model is based on the premise that people leave organizations very different ways and it outlines four decision pathways describing different kinds of decisions to quit. A notable feature of the unfolding model is its emphasis on an event or ‘shock’ (positive or negative) that prompts some decisions to quit. Morrell et al (2004) tested the unfolding model by studying the voluntary turnover of nurses in the UK. Their findings indicated that shocks play a role in many cases where people decide to leave. Furthermore, they found that shocks not only prompted initial thoughts about quitting but also typically had a substantial influence over the final leaving decision. They also noted that decisions to quit prompted by a shock are typically more avoidable. The authors suggest that their research illustrates the importance for managers of understanding avoid ability i.e. the extent to which turnover decisions can be prevented. Organisational size Kirschenbaum & Mano-Negrin (1999) indicated that turnover is affected by organizational size, with size being the key mediator of an organization’s internallabour market. They suggest that organizational size impacts on turnover primarily through wage rates but also through career progression paths. Developed internal organizational labor markets produce lower departure rates since promotion opportunities have a strong negative influence on departures for career-related reasons. Unionisation Martin (2003) looked at the effect of unions on labor turnover and found clear evidence that unionism is associated with lower turnover. He suggested that lower turnover is a result of the ability of unions to secure better working conditions thus increasing the attractiveness for
workers of staying in their current job. According to Martin, the relationship between lower turnover and unionization has been well-established by researchers using both industry-level and individual data. Influence of co-workers 2002 study by Kirshenbaum and Weisberg of 477 employees in 15 firms examined employees’ job destination choices as part of the turnover process. One of their main findings was that co-workers’ intentions have a major significant impact on all destination options - the more positive the perception of their co-workers desire to leave, the more employees themselves wanted to leave. The researchers suggest that feeling about co-workers’ intentions to change jobs or workplace acts as a form of social pressure or justification on the employee to make a move.

**Supervision/management**

Mobley et al (1979) concluded that a number of studies offered moderate support for negative relationship between satisfaction with supervision and turnover (ie the higher the satisfaction with supervision, the lower the turnover). Behavioral predictors Some research (Hulin cited in Griffeth et al, 2000) implies that lateness and absence can be predictors of turnover because they represent withdrawal responses from the organisation. Mobility in the Australian labor market Shah and Burke’s (2003) report provides estimates of job and occupational labor mobility in Australia. It also provides information on the effects of demographic, educational and labor market variables on the probability of job separation using data from the ABS Labor Mobility survey for 2002. It is important to note that the ABS survey does not directly measure turnover but asks respondents whether they have changed jobs in the preceding 12 months. Assuch, the concept of mobility used in this study is not directly comparable with turnover but can arguably give some indication of the nature of job separation in Australia. In the ABS survey, movers are defined as those people who stopped working in a job sometime in the current year, and can be job leavers or job losers. Some of
the main conclusions of the report with relevance for MINTRAC are outlined below.

**Types of employment**

Part-time workers have a much higher rate of job separation than full-time workers. The effect is larger for men probably because part-time work is likely to be casual and hence short-term. At any given age, job separation is more likely for male part-time workers than for female part-time workers. Migrants The chances of job separation are significantly higher for recently arrived migrants than for Australian-born workers. Recently arrived migrants are less likely to have established roots in a particular location or with a particular employer and therefore more likely to consider alternative job offers. Migrants from the main English-speaking countries had higher separation rates than other migrants, who presumably had a greater need to improve their English language competency, and to accumulate work experience with a single employer. Regional areas Workers in non-metropolitan areas are significantly less likely to remain in the same occupation than workers in metropolitan areas. This means that workers in non-metropolitan areas either have higher chances of not being employed or have higher chances of moving to another occupation. Occupation general, the lower the skill levels of the occupation (short-term and casual jobs are concentrated in lower-skill occupations) the higher the rate of job separation. Retention strategies Understanding turnover The academic literature (Dalton et al cited in Abelson, 1987) suggests that differentiating avoidable and unavoidable turnover (from the organization’s point of view) can help organizations to understand voluntary turnover more fully. Avoidable reasons include employees leaving to find better pay or working conditions elsewhere, problems with management or leaving for better career opportunities. Unavoidable reasons - which are beyond the organization’s control - include, for example, an employee having to move because of relocation by a spouse or leaving to fulfill family or
caring responsibilities. If an organization can identify that much of its voluntary turnover is unavoidable it may profit better from initiatives that seek to manage turnover after the event rather than expend resources on implementing preventative measures. On the other hand, if the bulk of turnover is avoidable this offers the potential for targeted intervention. However, if managers assume the turnover problem to be largely unavoidable, they may fail to recognize turnover as a symptom of underlying problems within the organization.

**Labor market issues**

Another step towards understanding turnover within an organization is to determine whether retention difficulties are caused by internal or external factors. While the role of labor market conditions in causing turnover may preclude the use of targeted human resource strategies, this information may be useful in analyzing to what extent turnover is due to outside factors. However, although tight labor markets affect an employer’s ability to attract and retain staff, looking outwards at the local labor market cannot be a substitute for understanding what is going on within the organization (IDS, 2000)

**Measuring turnover**

Research suggests that to gain an accurate perspective of internal causes of turnover, it is useful to look at both quantitative and qualitative information (IDS, 2004). To identify underlying reasons for turnover, qualitative information on the reasons why employees have left is necessary. The UK Chartered Institute of Personnel and Development (CIPD) suggests that it is important employers have an understanding of their rates of labor turnover and how they affect the organization’s effectiveness (CIPD, 2004). Depending on the size of the business, understanding the levels of turnover across occupations, locations and particular groups of employees (such as identified high performers) can help inform a comprehensive
retention strategy. By understanding the nature of the turnover problem an organization can decide whether to adopt targeted retention initiatives, for example at particular sites or groups of employees, or to manage overall levels so that there is sufficient labor.

**Wastage rates**

Typically, organizations use the crude wastage rate for measuring turnover. This calculates the number of leavers in a given period as a percentage of the average number of employees during the same period. To calculate the average number of employees during a given period, organizations often add together the number of employees at the beginning of the period with those employed at the end of the period and divide it by two (IDS, 2004).

**Crude wastage rate**

The simplicity of this measure means there is less risk of different parts of the organization supplying inconsistent data. However, the crude wastage rate has its limitations because it includes all types of leavers - involuntary leavers. A single measure of turnover that does not distinguish between cases where people left because they were dissatisfied and where people left because of ill health or retirement will be inadequate because it treats leavers as a homogeneous group (Morrell et al, 2004). Furthermore, when calculating replacement figures it may be misleading to base them on crude wastage rates which include employees that do not need replacing (IDS, 2004). The crude wastage rate also makes no distinction between functional (unbeneficial) and dysfunctional turnover (CIPD, 2004).

**Resignation rates**

Another way of measuring turnover is to base turnover rates on voluntary leavers or resignation rates only, thus excluding employees who have left for other reasons such as
retirement, redundancy, dismissal or redeployment to another part of the organization. However, basing turnover rates on voluntary leavers can also have its drawbacks because it does not indicate how many staff need recruiting to cover those employees who have left because of retirement or voluntary internal transfers. One solution is to record separate turnover rates for voluntary and involuntary leavers (IDS, 2004). Wastage rates can also be used for specific groups of employees or different business units, which allows an organization to detect differences in turnover within different parts of the organization. Overall figures tend to mask potentially significant differences in turnover within an organization (IDS, 2004). For example, high turnover in one area of the business could produce the same overall rate as a small number of leavers distributed evenly across the organization, but the actions required to deal with these situations would be quite different. Examining turnover by department can identify any local issues or possible problems concerning particular line managers or to monitor turnover among groups of employees with scarce skills. Wastage rates can also be applied to employees with a certain length of service (eg. than one year) which can help pinpoint ineffective recruitment, selection or induction processes (IDS, 2004).

**Vacancy rate**

Another approach is to place a greater emphasis on the number of vacancies that need to be filled. The vacancy rate is based on the number of positions an organization actively wishes to recruit to as a percentage of the number of overall employees.

**Stability index**

This measure gives an indication of the extent to which experienced employees are being retained. It can be used to calculate the stability of the whole organization or of a particular
group of employees. It is usually calculated as the number of employees with one year’s service or more as a percentage of the number of people employed year ago. This formula can be varied according to particular circumstances (eg basing it on a longer period of service). A rise in the stability index indicates the company is improving retention of more experienced staff. Normally, a wastage rate would be expected alongside a low level of stability. If both percentages are high, this indicates the organization is experiencing problems with a small number of high turnover jobs (IDS, 2004).

Cohort analysis

This technique enables an organization to understand service-related leaving patterns by taking the leaving rates of a (usually homogeneous) group of employees who joined at the same time. The resulting leaving rates can be plotted on a wastage or survival curve. Cohort analysis is a useful tool for organizations concerned about turnover costs due to high expenditure on recruitment, induction and training. Wastage and survival curves For wastage curves the number of leavers is plotted against their length of service on leaving. A characteristic turnover pattern shows a high level for new starters, which then decreases with length of service. Alternatively, survival curves represent the number of people who stay against length of service, providing a measure of retention instead of turnover.

Exit interviews and surveys

Organizations typically obtain qualitative information on turnover through exit interviews and surveys. However, it is important to appreciate that the reasons people give for their resignations are frequently untrue or only partially true (CIPD, 2004). The use of exit interviews is widespread yet they can be unreliable, particularly when conducted by someone who may later be asked to write a reference for the departing employee. Where exit
interviews are used it is best to conduct them a short time after the employee hands in their notice. The interviewer should be someone who has not had direct responsibility for the individual (i.e., as their line manager) and who will not be involved in future reference writing. Confidentiality should be assured and the purpose of the interview explained (CIPD, 2004). Alternative approaches involve the use of confidential attitude surveys which include questions about intention to leave and questionnaires sent to former employees on a confidential basis about six months after their departure. Costing turnover The extent of the impact of turnover on an organization cannot be fully understood if there is no attempt to quantify the costs. The more complex approaches to costing turnover give a more accurate and higher estimate of the costs. Such approaches often take into account the costs associated with lost productivity (i.e., the productivity of a new employee during their first few weeks or months in the role and that of resignees during the notice period) and the effect on morale of the remaining workforce. One such framework is that proposed by Tziner and Birati (1996) which builds on the earlier Cascio model of separation costs, replacement costs, and training costs. The authors demonstrate how their conceptual framework can be translated into a formula and applied in practice. The Tziner and Birati framework includes:

- direct costs incurred in the replacement process (recruiting, hiring, training, and socializing new employees, including the extra effort by supervisors and co-workers to integrate them);
- indirect costs and losses relating to interruptions in production, sales, and the delivery of goods to customers;
- financial value of the estimated effect on performance as a result of the drop in morale of the remaining workforce following dysfunctional turnover. While such approaches are arguably more accurate in that they cover all the cost associated with turnover, in practice these can prove too complex and time-consuming for many organizations. The UK Chartered Institute of Personnel and Development (CIPD) suggests that because of the difficulties involved in estimating and quantifying some of the indirect costs involved in turnover, alternative approaches are often adopted. These may include:

- Confidential attitude surveys which include questions about intention to leave and are sent to former employees on a confidential basis about six months after their departure.
- Questionnaires to new employees focusing on their integration and productivity during their first few weeks or months in the role.

Confidentiality and the purpose of the interview are crucial in ensuring the accuracy of response data.

Costing turnover: The extent of the impact of turnover on an organization cannot be fully understood if there is no attempt to quantify the costs. The more complex approaches to costing turnover give a more accurate and higher estimate of the costs. Such approaches often take into account the costs associated with lost productivity (i.e., the productivity of a new employee during their first few weeks or months in the role and that of resignees during the notice period) and the effect on morale of the remaining workforce. One such framework is that proposed by Tziner and Birati (1996) which builds on the earlier Cascio model of separation costs, replacement costs, and training costs. The authors demonstrate how their conceptual framework can be translated into a formula and applied in practice. The Tziner and Birati framework includes:

- Direct costs incurred in the replacement process (recruiting, hiring, training, and socializing new employees, including the extra effort by supervisors and co-workers to integrate them).
- Indirect costs and losses relating to interruptions in production, sales, and the delivery of goods to customers.
- Financial value of the estimated effect on performance as a result of the drop in morale of the remaining workforce following dysfunctional turnover. While such approaches are arguably more accurate in that they cover all the cost associated with turnover, in practice these can prove too complex and time-consuming for many organizations. The UK Chartered Institute of Personnel and Development (CIPD) suggests that because of the difficulties involved in estimating and quantifying some of the indirect costs involved in turnover, alternative approaches are often adopted. These may include:

- Confidential attitude surveys which include questions about intention to leave and are sent to former employees on a confidential basis about six months after their departure.
- Questionnaires to new employees focusing on their integration and productivity during their first few weeks or months in the role.

Confidentiality and the purpose of the interview are crucial in ensuring the accuracy of response data.
costs many organizations prefer to take a ‘not less than’ approach in attempting to cost turnover. According to the CIPD (2004), it is possible to compute a ‘not less than’ figure by working out what it costs on average to replace a leaver with a new starter in each major employment category. This figure can then be multiplied by the crude turnover rate for that employee group to calculate the total annual costs of turnover. The CIPD suggests that the major turnover costs are:

• administration of the resignation (including exit interviews)

• recruitment costs (including advertising)

• selection costs

• costs of cover (temporary employees or overtime) during the vacancy period

• administration of recruitment and selection process

• induction training for new employees.

**Recruitment practices**

In high turnover industries in particular, a great deal of employee turnover consists of people resigning or being dismissed in the first few months of employment (CIPD, 2004). The costs of recruitment and turnover per individual become much greater when new staff leave after only a short period of time. Where new employees leave after a short period in the job, poor recruitment and selection decisions both on the part of the employer and employee are usually the cause, along with poorly designed or non-existent induction programs (CIPD, 2004). If expectations are raised too high during the recruitment process this can result in people accepting jobs for which they may be unsuited. Organizations often do this to ensure
that they fill their vacancies with sufficient numbers of well-qualified people as quickly as possible. However, this can be counterproductive over the longer-term, as it can lead to costly avoidable turnover and to the development of a poor reputation in local labor markets. The CIPD (2004) suggests that employers give employees realistic job preview at the recruitment stage and take care not to raise expectations. It may also be useful to invite applicants to work a shift before committing themselves.

Retention strategies

IDS (2004) suggests that where there is a general turnover problem within the organization companies often take a holistic approach aimed at fully engaging with staff. This may encompass a wide range of measures such as:• improving recruitment procedures to ensure candidates receive a realistic impression of the company and the job• supporting new recruits during the critical first few weeks in the job• providing clear career paths, interesting work and support for personal development• considering work-life balance issues• keeping pay in line with appropriate market rates• offering an attractive employee benefits package• creating a pleasant working environment• communicating and consulting effectively with employees. Examples of such measures are illustrated in more detail in the industry and organizational studies below. Industry studies Clothing industry In Taplin et al’s (2003) study of the British clothing industry, employer initiatives to reduce turnover included a range of measures. Improving remuneration packages waste single most common initiative with changes to the payments systems made so that workers could increase their earnings. Also important were more rigorous screening procedures for new hires, and improved training programs designed to bring networkers up to speed so that they could maximize their piece rate earnings potential. Various quality of working life initiatives were introduced, such as flexible working hours and forms of employee participation (eg works
councils).

Case studies of organizations

The retention strategies outlined here are based on organizational-specific initiatives. One of the problems with organizational-case studies is that their experience may not be generalizable, given that the causes of turnover and the resulting strategies are likely to be specific to a particular organization, a site or even a particular group of employees. Another problem is that where a combination of measures are used (which is often the case) it is very difficult to attribute success to one particular element of the strategy. Nevertheless, some common practices can be drawn from these experiences that appear to be successful in helping to improve retention. The first two examples are academic studies while the following table summarizes the main features of the retention strategies adopted by a range of UK organizations to successfully improve retention. Hospital. A Canadian study by Lum et al (1998) assessed the impact of certain pay policies upon the turnover intentions of pediatric nurses. Two types of salary supplements were introduced – bonuses to intensive care nurses only and a 5 per cent salary differential for all staff nurses – to reduce turnover. The supplements were structured in such a way as to have the most favorable influence on the senior staff nurses who were presumed to be the most experienced and those most valuable employees. Satisfaction with pay had both direct and indirect effects on turnover intent. They found that although pay satisfaction (unlike job satisfaction) was significantly associated with reducing intended turnover, its indirect effect upon turnover intent, mediated through job satisfaction and organizational commitment was weaker. In particular, nurses with greater experience were more satisfied with their pay and wireless likely to leave, which was the anticipated effect of the salary supplements. The anecdotal evidence showed that the senior nurses perceived the pay supplements to be an important recognition of their
contribution to the organisation. Department store In a study of retail salespeople (Firth et al, 2003) found that job stressors (e.g. work overload, job ambiguity) are the factors that trigger the chain of psychological states that lead to intention to quit. They suggested that supervisor support can reduce the impact of stressors on psychological states and intentions to quit. Monitoring workloads and supervisor-subordinate relationships by management may not only reduce stress but increase job satisfaction and commitment to the organization.

Case study

How Can Employment-Based Benefits Help The Nurse Shortage?

Abstract

During a labor shortage, employment-based benefits can be used to recruit and retain workers. This paper provides data on the availability of benefits to registered nurses (rns), reports on how health care leaders are approaching the provision of employment-based benefits for nurses, and considers what nurses have to say in focus groups about benefits. Because of the ongoing nurse shortage, many employers are trying to enhance the benefits they offer to support recruitment and retention efforts. We offer recommendations for health care leaders that follow from our findings about the current state of nurses’ employment-based benefits.

FOR THE PAST EIGHT YEARS there has been widespread concern about a chronic shortage of registered nurses (rns). Although the supply of rns appears to have risen in the past two years, there is widespread agreement that the aging of the nurse workforce will cause long-term problems.¹ rns’ wages are expected to rise as the shortfall of rns continues.²
Employee compensation includes nonwage benefits, such as health insurance, paid vacation, retirement programs, child care support, tuition reimbursement, and other benefits. Benefits account for about 29 percent of the compensation provided to employees who receive them.\(^3\) During a labor shortage, employment-based benefits can be particularly important as a device to recruit and retain workers.\(^4\) They are known to improve employee satisfaction and recruitment and retention of staff.\(^5\)

Relatively little is known about the benefits received by rns and the role these benefits can play in addressing the ongoing and future nurse shortage. This paper provides data on the availability of benefits to rns, reports on how health care leaders are approaching their provision for nurses, and considers what nurses have to say about the benefits they do and do not receive. We offer recommendations for health care leaders that follow from our findings about the current state of nurses’ employment-based benefits. Our study is based on analysis of data from the Current Population Survey (CPS) and on interviews and focus-group research; further details are presented in context below.

**A helping hand** Retaining older nurse is key if health care organizations are to avoid high turnover and vacancy rates. In 2000, only 9.1 percent of registered nurses were 30 years old or younger, according to the Health Resources and Service Administration’s Bureau of Health Professions. That same year, the average age of the nursing population was 45.2.

One reason older nurses leave the profession is physical stress. Tampa (Fla.) General Hospital implemented a patient-lift initiative to reduce back and other types of injuries among nurses and support staff. A dedicated lift team assists nurses and other staff when they cannot safely move patients. Since the initiative was launched in 2002, lift-related injuries have fallen 60 percent.
The team consists of 12 specially trained personnel who are available 21.5 hours per day, seven days a week. When a nurse needs assistance, he or she pages the team. Response time is about 15 minutes and the team averages about 100 calls per day. The team can lift a patient in five to seven minutes; it takes a lone nurse about 20 minutes to lift a patient. The hospital spent between $250,000 and $300,000 on lifting equipment and training the team on its use. That money has been recouped because of the need to hire fewer agency nurses, reduced workers’ compensation claims and a decreased rate of pressure ulcers among patients. “It’s had a big impact on nurse morale,” says Manon Short, the hospital’s injury prevention coordinator. Among other things, she says, the nurses credit the team with providing them more time for other nursing duties, allowing them to leave work on time.

**Going once, going twice** In an effort to recruit and retain nurses, hospitals across the country are providing greater flexibility with work schedules. The move is viewed as a way to improve work/life balance, particularly for older nurses and working parents. “We’ll work around a nurse’s schedule,” says John Murphy, nurse recruiter for St. Peter’s Hospital, Albany, N.Y. Depending on the nursing unit, schedules can range from four-hour to 12-hour shifts. “Nurses can work every weekend and get full benefits,” he says. To provide nurses greater autonomy over their schedules, the hospital implemented an online shift bidding system five years ago. Nurses can name the lowest acceptable hourly wage rate they will accept. The hospital selects nurses based on pay rate, skill level, past performance and shift schedule. Bids can be made for daily or weekly shifts. Not only has the system improved nurse satisfaction, it is also credited with reducing the hospital’s need to employ agency nurses and helping to drop the nurse turnover rate to the single digits, Murphy says.
**In the know**  No one knows better about what nurses want more than nurses. That’s why Bay health, Dover, Del., hired a nurse to serve as a recruitment and retention specialist. In that position, Marianna Foard, R.N., works to match nurses with hospital openings. “I’m still very much a clinician,” she says. “I have to understand the level of acuity of the position and match it with the nurse’s skill set." A key piece to nurse retention is getting the right nurse in the right position. The organization uses behavior-based hiring techniques to see if the nurse is the right fit for the position. If not, they look to see if the nurse may be better suited for another position. Foard frequently visits nursing units to talk with nurses about their experiences. “You have to establish a professional relationship with them and keep the lines of communication open,” she says. “People stay because they are satisfied and feel their opinion counts. That’s where a lot of organizations miss the boat.”

**Signing off** Hospitals go to great expense to attract new nurses, offering tuition reimbursement, child care and even cars. Sign-on bonuses have been ubiquitous for the past several years, in some cases providing thousands of dollars for nurses to work for a short period of time. That, however, is changing as more hospitals view sign-on bonuses as a temporary fix that may negatively impact long-term staffing levels. For example, many nurses view sign-on bonuses as a contract and leave their position once the time period is over. Midland (Texas) Memorial Hospital stopped offering sign-on bonuses because of the message it sent to existing nursing staff. “Our nurses work day in and day out and weren’t getting anything,” says Margaret Robinson, vice president of patient care services. “The sign-on bonus offended our long-term employees.” Instead, the hospital opted for longevity bonuses. Nurses who have worked 10 years or more receive a bonus every two weeks based on a percentage of their salary. If a nurse has worked between 10 and 14 years, he or she receives a 3 percent longevity bonus every two weeks. The
maximum a nurse can receive is 7 percent of salary. “Sign-on bonuses are short-lived,” says AONE’s Thompson. “They will only work if what nurses signed up for continues to be professionally rewarding.”

**Nurse Friendly** The Texas Nurses Association developed a set of criteria to help create an ideal practice environment for nurses. The Nurse-Friendly Hospital Criteria include establishing systems to address patient care concerns, professional development, middle-management accountability, comprehensive nurse orientation and zero tolerance for abuse of nurses. Memorial Hermann Fort Bend, Missouri City, Texas, earned the nurse-friendly designation in September, hoping to create an environment where nurses will want to work. “our nurses feel that their opinion is respected and that they are part of a collaborative team,”

**Case Study on Motivation**

**A case of a Community Health Volunteer who motivates a leprosy patient to accept treatment**

Pathardih is a Block in the Bankura District, West Bengal. It covers an area of 259 square miles and has a population of approximate 10,00,000 living in 185 villages. The main occupation is agriculture. The literacy rate is 22.6 per cent; the languages spoken are Bengali and Santhali. The religions are Muslim, Hindu, and Adibasi.

Working in Pathardih Block is one community health volunteer who is 24 years. She has been allotted two villages, including Nodia where she resides. She likes the CHV jobs assigned to her and feels that people loves her and trust her as their own. The Lady Health visitor from Pathardih PHC supervises her.

In Nodia village lived a man named Vivek, who suffered from leprosy. He lived with his family – a wife, two sons, three daughters, mother and widow sister. His two
sons, aged 16 and 14 years, work in the field with him. He has six bighas of land. His three daughters are aged nine years, six years and three years. Vivek’s family has been living in the village for five generations and is known to all.

Vivek suffers from leprosy, but he resents anybody from the PHC visiting his house. In fact, he is in the habit of shutting the door in the face of any health worker coming to visit his house. His behavior toward health worker is always rude. The Health Visitor decided to hand over the case to the CHV in Nodia village, hoping that she will be able to visit the patient in his home.

The CHV began by meeting the wife of the patient. During discussion in the kitchen, the CHV volunteered to meet her husband personally at any time convenient to him. Several days later, the CHV again visited the house, this time to find that Vivek was at home. Vivek was very much annoyed to see the CHV in his house and showed his annoyance by shouting that he had repeatedly warned all health staff not to visit his house. He threatened to use violent means to keep health workers away from his house. The CHV quickly departed and later reported the incident to her supervisor, the Lady Health Visitor.

The case of Vivek was serious because he used the common pond for bathing. Also, he was living with his family members which made chances of spreading infection very high. Furthermore, Vivek’s wife was 32 years old and capable of bearing more children, so it was important to gain access to Vivek so as to treat his leprosy. Until now, he refused treatment.

Several weeks later, at the insistence of the Health Visitor, the CHV again visited Vivek’s house and pleaded with his wife for an interview with him. She agreed to arrange a meeting but warned that she would not be held responsible for any adverse consequences. A few minutes later, Vivek entered the kitchen where he threatened the
CHV as soon as he saw her. He said he was going to beat her with a broom stick for having entered his house. The CHV remained calm, even though she was frightened, and due to her tactful handling of the situation, Vivek calmed down. The CHV took the opportunity to inform the family that she would be arranging a big film show in the village. She has been searching for a suitable place to hold it. She asked Vivek, if he could kindly spare his front courtyard for holding the show. Vivek’s ego was elated, and he agreed to the proposal.

The CHV visited Vivek’s house three or four times during the next weeks to discuss arrangements for the film show. During these visits, she also mentioned family planning and other health topics. Vivek even allowed her to give some medicine to the youngest child who was suffering from diarrhea.

In the meantime, arrangements were made for the film show in the courtyard of Vivek’s house. The CHV went door to door to invite the villagers for the amusement. The show was a great success and created a spirit of joy and satisfaction in the village. One of the films on health topics created much impact in the village. Villagers appeared to be very interested to know about infection, water borne diseases, and the breeding places of mosquitoes. They became conscious of the bad effects of unclean living, the need of early treatment of diseases, and the advantages of having a small family.

Vivek was very pleased with the success of the film show, and one of the health films made a deep impression on him. In fact, on seeing the film, he became convinced of the need for early treatment of infectious diseases like leprosy. But Vivek believed that disease is given by God can be cured only by God, so there is no need to take treatment from the PHC. Better to do puja and ask God to cure the disease. Vivek thought puja was the best treatment for leprosy. Although he would not say so, Vivek knew he suffered
from leprosy and in fact had lost all hope of getting cured. He feared rejection by his family and by the village; that is why he did not want the health workers to be seen visiting his house. He feared this would alert the village to his disease and result in rejection.

Some weeks later the CHV was again visiting Vivek’s house, where she was now welcome. Vijaya Dashmi being just over, Vivek’s wife offered the CHV some sweets, as is the custom. With some convincing excuses, the CHV at first avoided taking the sweets. Vivek realized why the CHV refused taking sweets in his house, and said: “Please do not feel that you must make excuses. I know why you refuse the sweets. I understand your reluctance. “Vivek’s emotional words greatly moved the CHV, and she immediately accepted the offered sweets and ate those. This greatly surprised Vivek. He realized that the CHV considered him as a friend and had a sincere interest in his health and welfare. Vivek and his family and the CHV then entered into a long discussion about leprosy. The result was that Vivek became convinced of the need for treatment for the good of the family and neighbors. He agreed to visit the PHC, provided the CHV would accompany him.
Research gap

After reviewing “N” number of literature on subject of way of Hr practices in hospitals it came into conclusion that Authors has done lot of work in this field such as personnel policies, Recruitment sources selection process, induction norms, performance appraisal, training and development, employee satisfaction, strategic hr and so on and so forth. But there seems to be no research study available on Recruitment, Retention and attrition of nursing staff and its effect on turnover, which is one of the very significant factors to take up the area of research.

Problem statement

Study might try to find out answers of following Questions-:

2) What is current nursing management scenario in Shree hospital.
3) How HRM practices are implemented in Shree hospital.
4) How do hospital employees perceive HRM practices like recruitment, selection process, induction, training, performance appraisal and motivational techniques exercised by management.
5) How do the above HRM function affect on hospital employees level of satisfaction.
6) What is the gap between the existing status of implementation of the policy and expected status?

- In the research study the above said questions are addressed and appropriate answers are found out.
**Objective**

- Examine the trends of Hr Practices (Recruitment, Retention, and Attrition) in Shree Hospital
- To find out the satisfaction levels of nursing employees as a consequence of the Hr practices of hospitals.
- To establish relationship between HRM practices and satisfaction levels.
- To make recommendations to Shree Hospital in order to increase the effectiveness and efficiency of HR.

**Statement of Hypothesis**

1) *Alternative hypothesis*- systematic & scientific HRM (recruitment, retention&attrition) practices of Shree Hospital leads to high nursing staff satisfaction.

2) *Null hypothesis*- systematic and scientific HRM (recruitment, retention&attrition) practices of Shree Hospital do not lead to increasing nursing staff satisfaction.
RESEARCH

METHODOLOGY
Research Methodology

A) Introduction—A science of studying how research is done scientifically. A way to systematically solve the research problem by logically adopting various steps. Methodology helps to understand not only the products of scientific inquiry but the process itself. Aims to describe and analyze methods, throw light on their limitations and resources, clarify their presuppositions and consequences, relating their potentialities to the twilight zone at the” frontiers of knowledge”

B) Scope of study- Advancement of wealth of human knowledge. Tools of the trade” to carry out research; provides tools to look at things in life objectively. Develops a critical and scientific attitude, disciplined thinking or a bent of mind to observe objectively (scientific deduction and inductive thinking); skills of research will pay off in long term particularly in the “age of information”. It enriches practitioner and his practices; provides chance to study a subject in depth; enable us to make intelligent decisions; understand the material which no other kind of work can match. As consumers of research output helps to inculcate the ability to evaluate and use results of earlier research with reasonable confidence and take rational decisions. Doing research is the best way to learn to read and think critically.

Sample Design

Simple random sampling: This type of sampling is also known as chance sampling or probability sampling where each and every item in the population has an equal chance of inclusion in the sample and each one of the possible samples, in case of finite universe, has the same probability of being selected.
Data & information base

- Reviewing literature of journal
- Research magazine
- Books
- PhD Thesis
- Semi structured interview method

Data collection instruments

- Questionnaire instrument

Describe contents of questionnaire in open ended, closed ended and Likert format with point response scale. A Likert scale is a rating scale that requires the subject to indicate his or her degree of agreement or disagreement to a statement. In this type of questionnaire respondents are given five response choice.

Limitation of study

Even though the present study has been carried out very carefully and systematically it might suffer from following limitations -:

1) 30 samples selected - could be bias

2) Incompleteness of information was confronted during data and information collection exercise.

3) In-depth interview with HR manager may suffer from overstating the efficiency of HR dept.

HR practices in Shree Hospital

- Shree Hospital-Kalyan
  - Recruitment – manpower planning done keep in view the present and prospective requirements.
- Sources of recruiting
  - Walk in interview
  - References
  - Internal circulars for vacancies
  - Advertisement in newspapers
  - Nurses appear for walk in interview with nursing directors
- Selection
  - Filling up application forms
  - Scrutiny of application forms
  - Interviews of prospective candidates
  - Issue of appointment letter
  - Interview panel comprised of hospital directors and administrative officers
- Induction
  - Formal and systematic process
  - Head of HR briefs the employees on various HR issues.
  - General tours of hospitals
  - Induction speech by vice-chairman of hospital
- Training calendar
- In-house training-
  A) Behavioral skills
  B) Soft skills
  C) Communication skills
  D) Hygiene aspects
- External training-
  - Exposure to technical aspect
• Psycho-metric tests

• Sent to different conferences & seminars for knowledge & skill enhancement in areas related to their fields.

➢ Evaluation of training
   1) Pre-training
   2) Post-training

➢ Performance of Appraisal system
   o Organize and execute through HR consultants
   o 3 fold performance appraisal system
     A) For employees at entry level
     B) Confirmed employees
     C) Senior employees
   o Annual basis
   o Promotion Decision
   o Performance bonus
   o Increment grade

➢ Promotion policy

✓ Based on performance, qualification & experience

➢ Motivational mechanism

❖ Decent working conditions

❖ Continuous training and development to nurses

❖ Supportive system to enhance behavioral skills

❖ Good brand name and corporate image

❖ Stability in the job
DATA

ANALYSIS
DATA ANALYSIS

The data and information collected for the study has been subjected to a process of analysis and interpretation with a view to arrive at a fairly accurate picture about the status of HR aspects and nursing satisfaction.

For statistical analysis the mean (Average) is used for measure of central tendency and standard deviation is used for dispersion.

Statistical tables have been prepared using computerized tabulation

The variables are depicted in columns and rows

For graphical representation, vertical bar chart have been prepared to exhibit Mean of responses in compare to HRM practices.

Number of nursing staff in shree hospital is 60 and number of samples collected is 30% percent in total
General Questions

- **Age of respondents**

<table>
<thead>
<tr>
<th>Respondents Age</th>
<th>No. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 to 30 years</td>
<td>10</td>
</tr>
<tr>
<td>30 to 40 years</td>
<td>10</td>
</tr>
<tr>
<td>40 to 50 years</td>
<td>5</td>
</tr>
<tr>
<td>50 to 60 years</td>
<td>5</td>
</tr>
</tbody>
</table>

The sample consisted of 30 nursing staff of which 33% are of the age group of 20 to 30 years and more than 33% have 30 to 40 years, 17% are of the age group of 40 to 50 years. This organization has most of the employees between 20 to 40 years of age as is with most of the non-governmental private firms. This shows constant recruitment and retention is ongoing process among employees. As seen only 17% of nursing staff is in age group of 50 to 60 years age group, these people are recruited when the hospital started operation.
Respondents distribution-Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>No. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>28</td>
</tr>
<tr>
<td>Male</td>
<td>2</td>
</tr>
</tbody>
</table>

Sample consist of 28 female (93%) and 2 male (7%) nursing staff. That means male nursing staff (Brothers) are very less in whole lot.
### Respondent distribution—Designation

<table>
<thead>
<tr>
<th>Designation</th>
<th>No.of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ward Staff (Senior)</td>
<td>6</td>
</tr>
<tr>
<td>Ward Staff (Junior)</td>
<td>4</td>
</tr>
<tr>
<td>O.T Staff</td>
<td>5</td>
</tr>
<tr>
<td>I.C.U Staff</td>
<td>10</td>
</tr>
<tr>
<td>Casualty Staff</td>
<td>5</td>
</tr>
</tbody>
</table>

Among respondents 20% are senior ward staff, 13% are junior ward staff, 17% are operation theater staff, 33% I.C.U staff and 17% are casualty staff.
Specific Questions

1) Tenure of work at Shree hospital.

<table>
<thead>
<tr>
<th>Experience</th>
<th>No. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 5 yrs</td>
<td>12</td>
</tr>
<tr>
<td>5 to 10 yrs</td>
<td>6</td>
</tr>
<tr>
<td>10 to 15 yrs</td>
<td>6</td>
</tr>
<tr>
<td>15 to 20 yrs</td>
<td>6</td>
</tr>
</tbody>
</table>

Among the respondents 40% are 0 to 5 years, 20% are 5 to 10 years, 10% are 10 to 15 years, and 5% are 15 to 20 years.
2) To fill vacant positions hospital is giving 1\textsuperscript{st} preference to existing employees

<table>
<thead>
<tr>
<th>Preference</th>
<th>No. of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>22</td>
</tr>
<tr>
<td>No</td>
<td>8</td>
</tr>
</tbody>
</table>

Among the respondents 72\% think that management gives 1\textsuperscript{st} preference to existing employees to fill up vacant positions.
3) Do you feel your appointment is done by systematic recruitment Plan?

<table>
<thead>
<tr>
<th>Systematic recruitment plan</th>
<th>No. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>4</td>
</tr>
<tr>
<td>No</td>
<td>26</td>
</tr>
</tbody>
</table>

Among the respondents 85% think that their appointment is done by systematic recruitment plan and 15% think that recruitment plan is not systematic.
4) Do you think hospital is conducting formal and systematic induction programme?

<table>
<thead>
<tr>
<th>Systematic induction programme</th>
<th>No. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>9</td>
</tr>
<tr>
<td>No</td>
<td>21</td>
</tr>
</tbody>
</table>
5) Within 1st month you got complete information about your hospital, its history, vision, mission, and objective & organization culture.

<table>
<thead>
<tr>
<th>Information about hospital</th>
<th>No. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>19</td>
</tr>
<tr>
<td>No</td>
<td>11</td>
</tr>
</tbody>
</table>

![Pie chart showing 63% Yes and 37% No]
6) Are you satisfied that you have been given the right job profile?

<table>
<thead>
<tr>
<th>Satisfaction of job profile</th>
<th>No. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>25</td>
</tr>
<tr>
<td>No</td>
<td>5</td>
</tr>
</tbody>
</table>

![Pie chart showing 82.20% satisfaction and 17.80% dissatisfaction]
7) Do you have the tools and resources to do your job well?

<table>
<thead>
<tr>
<th>Tools and resources</th>
<th>No. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>26</td>
</tr>
<tr>
<td>No</td>
<td>4</td>
</tr>
</tbody>
</table>

87.70% Yes
12.30% No
8) Are you satisfied with current Performance appraisal process.

<table>
<thead>
<tr>
<th>Satisfied of current appraisal process</th>
<th>No. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>10</td>
</tr>
<tr>
<td>No</td>
<td>20</td>
</tr>
</tbody>
</table>

![Pie chart showing 62% satisfaction and 38% dissatisfaction]
9) Does your manager guide you to improve performance?

<table>
<thead>
<tr>
<th>Manager to guide for performance</th>
<th>No. of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>25</td>
</tr>
<tr>
<td>No</td>
<td>5</td>
</tr>
</tbody>
</table>

![Pie chart showing 82% Yes and 18% No]
10) Are you satisfied with salary structure and promotion process?

<table>
<thead>
<tr>
<th>Salary structure and promotion process</th>
<th>No. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>17</td>
</tr>
<tr>
<td>No</td>
<td>13</td>
</tr>
</tbody>
</table>

![Pie chart showing 57% Yes and 43% No responses.]

57% YES  
43% NO
11) Do you get health care benefits for your family and retirement benefits?

<table>
<thead>
<tr>
<th>Benefits for your family and retire benefits</th>
<th>No. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>12</td>
</tr>
<tr>
<td>No</td>
<td>18</td>
</tr>
</tbody>
</table>

![Pie chart showing the distribution of responses. 60% of respondents answered Yes, and 40% answered No.]
12) Would you like to remain with Shree Hospital when your tenure is completed?

<table>
<thead>
<tr>
<th>Like to remain in Shree Hospital</th>
<th>No. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>11</td>
</tr>
<tr>
<td>No</td>
<td>19</td>
</tr>
</tbody>
</table>

![Pie chart showing the distribution of responses. 64.5% Yes, 35.5% No.]
13) What makes you “satisfied- working in Shree hospital”?

<table>
<thead>
<tr>
<th>What makes you working in shree hospital</th>
<th>No. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good interpersonal relationship</td>
<td>3</td>
</tr>
<tr>
<td>Good leadership</td>
<td>13</td>
</tr>
<tr>
<td>Clean surrounding</td>
<td>10</td>
</tr>
<tr>
<td>Recognition on achievement</td>
<td>4</td>
</tr>
</tbody>
</table>

![Pie chart showing percentages of responses]
14) What makes you dissatisfied working in Shree Hospital?

<table>
<thead>
<tr>
<th>What makes you working dissatisfied in Shree hospital</th>
<th>No. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work load</td>
<td>7</td>
</tr>
<tr>
<td>Lack of equipment and resolutions</td>
<td>4</td>
</tr>
<tr>
<td>Bad attitude of health workers</td>
<td>11</td>
</tr>
<tr>
<td>Bad attitude of health management</td>
<td>8</td>
</tr>
</tbody>
</table>

![Pie chart showing distribution of dissatisfaction reasons]

- **Work load**: 27%
- **Lack of equipment and resolutions**: 23%
- **Bad attitude of health workers**: 10%
- **Bad attitude of health management**: 35%
15) For you to be motivated, what would you recommend:-

<table>
<thead>
<tr>
<th>Ways of motivation</th>
<th>No. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase part time allowance</td>
<td>22</td>
</tr>
<tr>
<td>Order more equipment and resources</td>
<td>Nil</td>
</tr>
<tr>
<td>Discipline health workers with bad attitude</td>
<td>3</td>
</tr>
<tr>
<td>Increase other benefits for staff and their relatives.</td>
<td>5</td>
</tr>
</tbody>
</table>

![Pie chart showing the distribution of responses]

- Increase part time allowance: 74.30%
- Order more equipment and resources: 15%
- Discipline health workers with bad attitude: 10.70%
- Increase other benefits for staff and their relatives: 15%
- Others: 10.70%
16) What is your future plan on nursing as a career?

<table>
<thead>
<tr>
<th>Future plan on nursing as a career</th>
<th>No. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resign and join other non-govt. organisation</td>
<td>14</td>
</tr>
<tr>
<td>Resign and join govt. organisation</td>
<td>7</td>
</tr>
<tr>
<td>Resign and go to abroad</td>
<td>2</td>
</tr>
<tr>
<td>Continue serving shree hospital</td>
<td>7</td>
</tr>
</tbody>
</table>
# SPSS Analysis

<table>
<thead>
<tr>
<th>Q.No.</th>
<th>Factors</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>Coefficient variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tenure of work at Shree hospital</td>
<td>1.2</td>
<td>1.08</td>
<td>90.194</td>
</tr>
<tr>
<td>2</td>
<td>1st preference to existing employees</td>
<td>0.67</td>
<td>1.18</td>
<td>176.27</td>
</tr>
<tr>
<td>3</td>
<td>Systematic recruitment plan</td>
<td>0.4</td>
<td>1.12</td>
<td>280.31</td>
</tr>
<tr>
<td>4</td>
<td>Formal and systematic induction programme?</td>
<td>0.93</td>
<td>0.88</td>
<td>94.684</td>
</tr>
<tr>
<td>5</td>
<td>Full information about hospital during 1st month</td>
<td>0.73</td>
<td>1.16</td>
<td>158.58</td>
</tr>
<tr>
<td>6</td>
<td>Right job profile</td>
<td>-0.1</td>
<td>1.06</td>
<td>-795.1</td>
</tr>
<tr>
<td>7</td>
<td>Sufficient tools and resources</td>
<td>0.2</td>
<td>1.01</td>
<td>507.09</td>
</tr>
<tr>
<td>8</td>
<td>Satisfaction with current appraisal process</td>
<td>0.2</td>
<td>1.01</td>
<td>507.09</td>
</tr>
<tr>
<td>9</td>
<td>Communication with administrator before appraisal period.</td>
<td>0.07</td>
<td>0.96</td>
<td>1441.7</td>
</tr>
<tr>
<td>10</td>
<td>Satisfied with salary structure and promotion process</td>
<td>0.13</td>
<td>0.74</td>
<td>557.42</td>
</tr>
<tr>
<td>11</td>
<td>Health care benefit and retirement benefit</td>
<td>0.2</td>
<td>0.77</td>
<td>387.3</td>
</tr>
<tr>
<td>12</td>
<td>Like to remain in shree hospital after tenure gets completed</td>
<td>0.13</td>
<td>0.83</td>
<td>625.36</td>
</tr>
<tr>
<td>13</td>
<td>Satisfied working in shree hospital</td>
<td>0.47</td>
<td>0.74</td>
<td>159.26</td>
</tr>
<tr>
<td>14</td>
<td>Dis- satisfied working in shree hospital</td>
<td>-0.1</td>
<td>0.88</td>
<td>-1326</td>
</tr>
<tr>
<td>15</td>
<td>This which motivates you in shree hospital</td>
<td>0.47</td>
<td>0.74</td>
<td>159.26</td>
</tr>
<tr>
<td>16</td>
<td>Future plan on nursing as a career</td>
<td>0.47</td>
<td>0.74</td>
<td>159.26</td>
</tr>
</tbody>
</table>
### Most favorable responses

<table>
<thead>
<tr>
<th>Q.No.</th>
<th>Most favourable factors</th>
<th>M</th>
<th>SD</th>
<th>CV</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tenure of work at Shree hospital</td>
<td>1.2</td>
<td>1.08</td>
<td>90.194</td>
</tr>
<tr>
<td>4</td>
<td>Formal and systematic induction programme?</td>
<td>0.93</td>
<td>0.88</td>
<td>94.684</td>
</tr>
<tr>
<td>5</td>
<td>Full information about hospital during 1st month</td>
<td>0.73</td>
<td>1.16</td>
<td>158.58</td>
</tr>
<tr>
<td>2</td>
<td>1st preference to existing employees</td>
<td>0.67</td>
<td>1.18</td>
<td>176.27</td>
</tr>
</tbody>
</table>

**THE SHREE HOSPITAL**

The USP of shree hospital is employees are working here most of them are above 5 years, which indicates that employees are attached to shree hospital and like its working pattern. According to most of the employees administration department gives systematic induction programmes which include general knowledge of shree hospital. Administration department always give 1st preference to existing employees for filling vacant positions.
LEAST FAVORABLE RESPONSES

<table>
<thead>
<tr>
<th>Q.NO.</th>
<th>LEAST FAVORABLE RESPONSES</th>
<th>M</th>
<th>S.D</th>
<th>C.V</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>Dis- satisfied working in shree hospital</td>
<td>-0.1</td>
<td>0.88</td>
<td>-1326</td>
</tr>
<tr>
<td>6</td>
<td>Right job profile</td>
<td>-0.1</td>
<td>1.06</td>
<td>-795.1</td>
</tr>
<tr>
<td>10</td>
<td>Satisfied with salary structure and promotion process</td>
<td>0.13</td>
<td>0.74</td>
<td>557.42</td>
</tr>
<tr>
<td>11</td>
<td>Health care benefit and retirement benefit</td>
<td>0.2</td>
<td>0.77</td>
<td>387.3</td>
</tr>
</tbody>
</table>

The - 0.1 mean score and std deviation of 0.88 and 1.06 which falls in the are of highly volatile. So This means very less employees are dissatisfied working in shree hospital. Employees are not happy with their job profile like if employee has experience and special interest in particular department than also hospital administration has given different department. employees are not satisfied with salary structure and increment they think increment is too less to meet their day today demands. only some employees are retire benefits so this facility should avail to junior staff as well according to employees. On treatment 50% concession to employee and 20% concession to employee relative is too less.
VALIDITY OF HYPOTHESIS

In Questionnaire following-

Likert’s scale has been used from +2 to -2. We can use it for hypothesis testing. If mean is above 1.5 point it leads to very satisfied as it tends to be 2.

- If mean is above 1.5 point it leads to very satisfied as it tends to be 2.
- If mean is in between 1.5 point and 0.5 point it leads to satisfied as it tends to be near 1.
- If the mean is in between 0.5 point and -0.5 point then we can say respondents are neutral as it tends to be 0.
- If mean is in between -0.5 and -1.5 point it leads to not satisfied as it tends to be -1.
- If mean is above -1.5 point it leads to very dis-satisfied as it tends to be -2.

<table>
<thead>
<tr>
<th>SATISFACTION FACTOR</th>
<th>MEAN</th>
<th>STD.DEV.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction for right job profile</td>
<td>0.63</td>
<td>0.97</td>
</tr>
<tr>
<td>Satisfaction for appraisal process</td>
<td>0.42</td>
<td>1.11</td>
</tr>
<tr>
<td>Satisfaction with promotion system</td>
<td>0.37</td>
<td>0.96</td>
</tr>
<tr>
<td>Feeling of job stability</td>
<td>0.66</td>
<td>0.79</td>
</tr>
<tr>
<td>Satisfaction with salary structure</td>
<td>0.31</td>
<td>1.01</td>
</tr>
<tr>
<td>Average mean</td>
<td>0.47</td>
<td>0.11</td>
</tr>
</tbody>
</table>
The above mean falls in range of 0.5 point and -0.5 this tends to be zero. It implies that the employees have a neutral response. Hence, hypothesis cannot be validated as the responses are not positive. We cannot say that the present HR system is working systematically as it leads to lower level of employee satisfaction.

In nutshell, we are proving null hypothesis (Ho): systematic and scientific HRM (recruitment, retention & attrition) practices of Shree Hospital do not lead to increasing nursing staff satisfaction and it leads to lower level of nurses satisfaction.
RESULTS, FINDINGS AND CONCLUSIONS

This section is focusing on one of the objective of the study to establish relationship between HRM practices and satisfaction level. It is done through the analysis of previous part of the study the evaluation is based on the information given by nursing staff and it is divided in most favorable and least favorable responses which affect on the satisfaction issue.

Evaluation of Responses

- Shree hospital is making internal and external circular of vacancies which results in generating the feeling of fulfillment on being considered for filling the vacant positions.
- The systematic appointment is also optimistically indicated by employees as the hospital has adopted a multistage selection process.
- For induction hospital follows a formal and systematic process which has been confirmed by explicit response of employees.
- However, employees are giving volatile responses in matter of satisfaction of job profile. It implies that hospital is not deploying right person for right job.
- Hospital is having promotion policy which is based on qualification, experience and performance; still employees are giving neutral responses toward awareness about pay and performance connection and satisfaction with promotion system.
- The various motivational techniques are used by Hospital management still there is unsatisfactory response of employees for the health care benefits to them and employees, retirement benefits, listening and considering their disputes and satisfaction with salary structure.
• On treatment 50% concession to employee and 20% concession to employee relative is too less. According to employees it should make 100% concession for employees and 50% concession to staff relatives.

CONCLUSION

• Nursing staff of 0 to 5 years tenure are in large amount this shows that turnover rate is very high.
• Salary structure is low compared to other nearby hospitals
• Staff is not getting benefits which they usually get in governmental organizations like medical benefits for them and their families.
• Lack of casual leaves, privileged leaves and provident fund benefits for employee’s minimum up to 5 years.
• Nurses are not satisfied by current appraisal system.
• Hospital has good surroundings, healthy working environment and enough number of tools and resources.
RECOMMENDATIONS

Principles helps to reduce staff Retention

- Respectful collegial communication and behavior.
- Communication-rich culture
- A culture of accountability
- Presence of adequate number of qualified nurses.
- The presence of expert, competent, credible, visible leadership.
- Shared decision making at all levels.
- The encouragement of professional practices and continued growth and development
- Recognition of the value of nursing’s contribution.
- Recognition of nurses for their meaningful contribution to the practice
QUESTIONNAIRE

Date:

DECLARATION

➢ The following information is being collected to solicit factors that influence HR Policies (Recruitment, Retention and Attrition) of Shree hospital nursing staff. Please respond to the questions to the best of your ability. Remember, all the information will be kept completely confidential, therefore, do not write down your name.

1) Tenure of work at Shree hospital.____________

2) To fill vacant positions hospital is giving 1st preference to existing employees
   Yes/No

3) Do you feel your appointment is done by systematic recruitment plan?
   Yes /No

4) Do you think hospital is conducting formal and systematic induction programme?
   Yes/No

5) Within 1st month you got complete information about your hospital, its history, vision, mission, objective & organization culture. Yes/No

6) Are you satisfied that you have been given the right job profile.
   Yes/No
7) Do you have the tools and resources to do your job well.  
**Yes/No**

8) Are you satisfied with current performance appraisal process.  
**Yes/No**

9) Does your manager guide you to improve performance.  
**Yes/No**

10) Are you satisfied with salary structure and promotion process.  
**Yes/No**

11) Do you get health care benefits for your family and retirement benefits?  
**Yes/No**

12) Would you like to remain with Shree Hospital if your tenure is completed.  
**Yes/No**

13) What makes you “satisfied- working in Shree hospital”?  
A) Good interpersonal relationship  
B) Good leadership  
C) Clean surroundings  
D) Recognition on achievements  
E) Lot of workshops  
F) There is autonomy (independence)  
G) The hospital is new and modern
H) Others
(specify)_________________________________________________________________

14) What makes you dissatisfied working in shree hospital?

A) Workload

B) Lack of equipment and resources

C) Bad attitudes of health workers

D) Bad attitudes of health management team

E) Payroll is not sufficient

F) Others specify)………………………………………………

15) For you to be motivated, what would you recommend :-

A) Increase part time allowance

B) Order more equipment and resources

C) Discipline health workers with bad attitudes

D) Increase other benefits for staff and their relatives

E) Others (specify)………………………………………………..

16) What is your future plan on nursing as a career?

A) Resign and join other Non-Governmental Organizations

B) Resign and join Governmental organisation
C) Resign and go to work abroad

D) Continue serving Shree Hospital, as it is interesting

E) Retire and rest at home

F) Retire and work month to month

G) Others (specify) ______________________________________

- Personal information
  - Designation _______________________
  - Gender Male / female
  - Age ______ yrs

- What is your marital status?
  A) Single
  B) Married
  C) Separated
  D) Divorced
  E) Widow

**Schedule for H.R Manager**

a) What are the sources of your recruitment

b) On what basis you are selecting the sources

c) How are you conducting your selection programme.

d) What are the criteria for selection of candidates?
e) How do you decide the member of panel interviews?

f) Are you conducting induction programme.

g) How do you decide the needs of training?

h) How do you select employees for training?

i) Are you conducting in house and external training and methods for same?

j) How do you evaluate the effectiveness of training on job performance.

k) Are you conducting performance appraisal programme.

l) If yes do you have written performance criteria or manuals.

m) Are you communicating the performance criteria with your employees before assessment period?

n) What method you are using for performance appraisal.

o) What are the factors you are evaluating in performance appraisal.

p) How do you use appraisal data?

q) On what basis you are deciding the promotion of employees.

r) What motivational techniques you are using to retain your employees.
BIBLIOGRAPHY
Bibliography

- Abelson M. A. (1987), ‘Examination of avoidable and unavoidable turnover’

- Allen N. J. & Meyer J. P. (1990), ‘The measurement and antecedents of affective,
  continuance and normative commitment on the organization’, Journal of

- Beach R., Brereton D. & Cliff D. (2003), Workforce turnover in FIFO mining
  operations in Australia: An exploratory study, Centre for Social Responsibility in
  Mining, University of Queensland & Sustainable Minerals Institute.

- Boxall P., Macky K. & Rasmussen E. (2003), ‘Labour turnover and retention in
  New Zealand; the causes and consequences of leaving and staying with

- Chang E. (1999), ‘Career commitment as a complex moderator of organizational
  commitment and turnover intention’, Human Relations, vol. 52 (10), pp.1257-
  1278.

- Chartered Institute of Personnel and Development (2004), Fact sheet on employee
  turnover and retention.

- Davies D., Taylor R. & Savery L. (2001), ‘The role of appraisal, remuneration and
  training in improving staff relations in the Western Australian accommodation
  industry: a comparative study’, Journal of European Industrial Training,


Hegney D., Rogers-Clark C., Gorman D., Baker S. & McCarthy, A. (2001), Factors influencing the recruitment and retention of nurses in rural and remote areas in Queensland, Department of Nursing, University of Southern Queensland.


Robinson K., C. Eck., B. Keck and N. Wells (2003). The Vanderbilt Professional Nursing Practice Program. JONA 33 (9), 441-450.