AN ANALYSIS OF NURSING TURNOVER IN LONG-TERM CARE.

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TABLE OF CONTENTS

ABSTRACT

The phenomenon of turnover in the field of nursing in a long-term care facility is investigated and analyzed for the implications concerning the effects employee turnover has both monetarily and on the quality of patient care. The projected costs incurred by the facility due to each turnover ranges from 53% to 64% of the salaries for nurse and nurses aides. However, values are considered minimums as addition of benefits, longer vacancy times, and more training expenditures could easily add 10 to 20% more to the turnover costs of nursing personnel. While inference from previous studies exhibit that a negative relationship exists between turnover and level of patient care, no such conclusive relationship was confirmed for the nursing facility. Further literature review investigates the common models suggested by previous research and reviews the most currently accepted causal agents of employee turnover. Job satisfaction is examined and identified as the most accurate measure of predicting employee turnover. Finally, recommendations for the strategic management of turnover by health administrators and nursing managers are outlined.

EXECUTIVE SUMMARY

The phenomenon of turnover in the field of nursing in a long-term care facility is investigated and analyzed for the implications concerning the effect employee turnover has both monetarily and on the quality of patient care. The name of the nursing facility examined is withheld due to specific organizational policies on release of information. Therefore, all future reference to the facility will be as XYZ nursing home.

This study focuses on a single 186 bed skilled nursing facility that employs the full-time equivalent of 32 RNs, 15 LPNs, and 82 Aides. For this investigation, the term nursing personnel is used to refer to all RNs, LPNs, and CNAs employed by the nursing home unless otherwise specified. The turnover of nursing personnel, as calculated from human resource records, was found to be 115% for the year 1999. This trend has increased during the present year as exhibited by the 80% turnover of nursing personnel during the first six months of 2000.

For this facility, the expected monetary value to replace one of these full-time employees was calculated to be from $9343 to $18,193. These values are well above the national average, however, the cost to replace direct care workers in nursing is usually calculated well below actual values. This is due to the fact that up to 80% of the cost to replace employees is spent for indirect or hidden costs (Phillips, 1990). These hidden costs include; incoming employee inefficiency, departing employee inefficiency, cost of the position while vacant, and inefficiencies of those employees associated with both the entering and exiting employee.

Inference from previous studies exhibit that a negative relationship exists between turnover and level of patient care. Basic observation of patient care levels in this study were inconclusive, but many incidents of insufficient staffing occurring within the facility exhibit that the level of patient care was most likely compromised. This was supported by such factors as increases in number of patient falls and increases in resident concern forms filed during times of highest turnover. Observations also identified that as employee turnover increased for XYZ nursing home, or was at least openly an occurring problem, that patient census levels within the facility also suffered.

Further analysis investigates the development of employee turnover models by the researchers Price (1977), Bluedorn (1979), and Abelson (1986). Previous literature and reviews are also examined to determine the most currently accepted causal agents of employee turnover. The causal agent identified as job satisfaction is exhibited to be the most accurate measure of predicting employee turnover.

Finally, recommendations for the strategic management of turnover by health administrators and nursing managers are outlined. Three key factors including individual characteristics, environmental characteristics, and organizational characteristics are discussed for causal relationships with employee turnover and techniques best used by administrators to control such turnover.

INTRODUCTION

Turnover Background

> "Labour instability is regarded by all those who have given any serious consideration to the problem as one of the maladjustment's of our industrial life, wasteful and destructive of the potential manpower of the nation and a serious obstacle to the complete utilization of the country's productive resources."
>
> -Brissenden and Frankel, 1922

Nursing staff turnover has been a more acute problem for nursing homes than any other segment of the health care industry (Staff, 1991). A survey in 1990 by the American Nurses' Association found that nursing homes have more difficulty in filling vacancies than other health care organizations, which results in higher recruitment costs (Proenes & Shewchuk, 1997). In addition to increased costs, rapid turnover is also suspected to create patient quality of care problems due to inadequate staffing. Thus, the importance of overcoming the turnover phenomenon is no longer a choice for health care administrators, it is a necessity.

The past three decades have seen some of the most dramatic changes in health care occur during them. Changes in provider types, payment systems, and even new technologies have continued in the torrent revolutionizing of health care. However, one factor that remains constant throughout the many changes in health care, is that of the necessity for direct care providers. The RN's, LPN's, and CNA's are the lifeline to the health system. These groups provide the services and care that are required for health care providers to keep their facilities operating and the general population cared for. This

reliance on front-line workers has been constant from the inception of health care, through the late seventies and early eighties when a deficit of nurses existed for vacant positions, and into the nineties as an ever increasing aging population requires increased care from these providers.

Labor turnover, as an object demanding concern, gained prominence in the first quarter of this century, and although interest has fluctuated since then, attention has once again been drawn to this phenomenon. Certainly the demand for nurses in the industry will mandate a new and intensified focus. Projections indicate that the demand for RN's will almost double by the year 2010 while the demand for Aides and LPN's will increase by almost a third of the current need (Statistical Record of Health & Medicine, 1995).

Turnover Rates

With the high increase in necessity and demand for nursing care over the past three decades it is unusual to note the extremely high turnover for nurses in the health care industry. The Bureau of National Affairs reports that the nationwide turnover rate of all employees, private and public, was 12.0% for 1995 (Fields, 1996). Although nurses employed in home health agencies and hospitals experience turnover similar to this national average, nurses working in nursing homes experience 50% higher rates with a national rate of 19% (Staff Shortages, 1991).

According to Movassaghi et al (as cited in Coward et al., 1995), in 1988 only 1 of 14 RN's in the United States worked in a nursing home. This lack of penetration by RN's into long-term care was further supported by McKibbin's 1990 survey where it was found that nearly one in five registered nurse positions was unfilled. Furthermore, a report released by the Secretary's Commission on Nursing in 1988 (as cited in Coward et

al.), revealed that more than 30% of nursing homes reported needing at least one RN to even be in compliance with minimal federal requirements.

As indicated by several other studies, (Mason & Bain, 1951; Lindfield, 1963; Tollen, 1960), even occupations comparable to nurses in training and sex composition, such as teachers and social workers, have considerably lower turnover rates than nurses. Several other studies (NAHCR, 1991; Price, 1981; Interagency, 1990) exhibit that nursing turnover rates have been two to three times higher than rates for professionals of comparable education and gender. Given the critical role that nurses and aides have in patient care, a high rate of turnover becomes a serious threat to the standards of quality of care for patients.

Turnover Repercussions

Evidence from studies have shown that turnover can have a detrimental psychological effect on patient care (Phillips, 1987) and leads to increased time spent by patients in the hospital (Revans, 1964). Secondly, this high turnover rate of nursing personnel also is a causal agent to increasing costs to health care providers and the level of care they provide (Price & Mueller, 1981). The expense required to hire, train, update and maintain nursing staff can become cumbersome if not detrimental to the budgetary plan of any health care organization.

Mobley (1982) also describes the 'ripple effect' of turnover. This occurs when turnover effects individuals other than those that are leaving. This staff turnover can cause existing employees to experience greater stress, anxiety, and grief in order to emotionally and physically fill the void left by the departing employee. Staw (1980) also found that turnover may stimulate further turnover, by emphasizing that other work is

available. Staw states that, "Workers who may have had no previous intent to find new work may consider it following colleague turnover. Individuals required to perform extra work because of staff reduction may themselves seek other employment due to the increased stress of work and decreased group morale (p. 588)."

Positive Influences of Turnover

A line of thought also exists that suggests that turnover can be healthy for an organization. Pfeffer (1976) states that turnover can increase effectiveness of an organization. According to Pfeffer and others who support such a theory, turnover allows the organization to remain mobile, flexible, and nurturing of new blood into the organization. Health care providers that employ and promote new staff from outside their organization can introduce new ideas and practices of standards of care.

Some see turnover as an opportunity to cleanse an organization of those employees that are subpar; those that least benefit the overall organization. This is indicated in research by Prescott (1987) where it was found that, "Many organizations with little turnover and many long-term employees may become fixed in their ways: in proportion to their degree of stagnation, a responsiveness to changing circumstances declines. In situations such as this, the most productive and innovative employees leave (p. 65)." Turnover can seemingly allow greater adjustments, flexibility, and responsiveness within an organization with less danger to staff morale.

Most studies of RN participation have convinced administrators that high rates of turnover are inevitable. Thus, replacement rather than retention, has become the major thrust of administrative strategy for dealing with turnover. While nursing home staff turnover has decreased from the early eighties, losing staff adversely affects both the

budget and the delivery of high quality patient care. Although the exit of poor performers and new ideas from fresh recruits may be beneficial, the net costs of turnover are high and adversely effect organizational survival.

There exists a fine line between a healthy level of turnover and one that is detrimental to the organization. Employee turnover can destroy a nursing home's budget with ease, but of even greater concern is the detrimental effect turnover can have on patient care. No dollar figure can be placed on the value of care received by patients. Thus, nursing home administrators need to recognize how the disadvantages of turnover can quickly and easily outweigh the advantages.

PREDICTING TURNOVER

Identified Predictors of Turnover

Over the years, many causal models have been developed and studied in an attempt to explain the phenomenon of nursing turnover. Several indicators have been identified (Price & Mueller 1981; Cavanagh 1990) as key causative agents to increased turnover of nursing personnel.

The most commonly studied of these predictors of turnover is that of job satisfaction. The satisfaction of nurses is of great concern for administrators, patients, and the employees themselves. For nurses, job satisfaction is an intrinsic aspect of work, something that they find innately rewarding. This is of importance, if not solely for the value of work that nurses perform in their everyday duties.

Satisfaction is a social psychological concept that includes the degree to which individuals like their work. Often times job satisfaction is simply called employee morale. Job satisfaction in this literature study is founded upon the definition of Locke (1983) as, "A pleasurable or positive emotional state resulting from appraisal of one's job or job experience. Job satisfaction results from the person's perceptions that one's job fulfills or allows fulfillment of one's important job values (p. 704)."

Early research on this topic by Vroom (1964) found that, "There is a consistent negative relationship between job satisfaction and the possibility of resignation (p. 186)." Continued research by Price and Mueller (1981) concluded that job satisfaction increased the intent to stay, thus effecting turnover indirectly. Brooke (as cited in Blegen & Mueller, 1987) states that absenteeism is linked to poor job satisfaction and that job

satisfaction may also influence nursing performance at work. These findings are supported by Weissman & Nathanson (1985) who found that patients' satisfaction with their care was related to the level of nursing staff job satisfaction. Thus, with such ramifications, satisfaction of employees must be taken seriously by those employed in health care.

Job satisfaction is influenced by a myriad of other factors which play a lesser role in employee turnover, but compounded together can become strong influences of employees' intrinsic satisfaction (see Figure 1). The following is a brief discussion of the factors that are most important in effecting employee job satisfaction.

Opportunity:

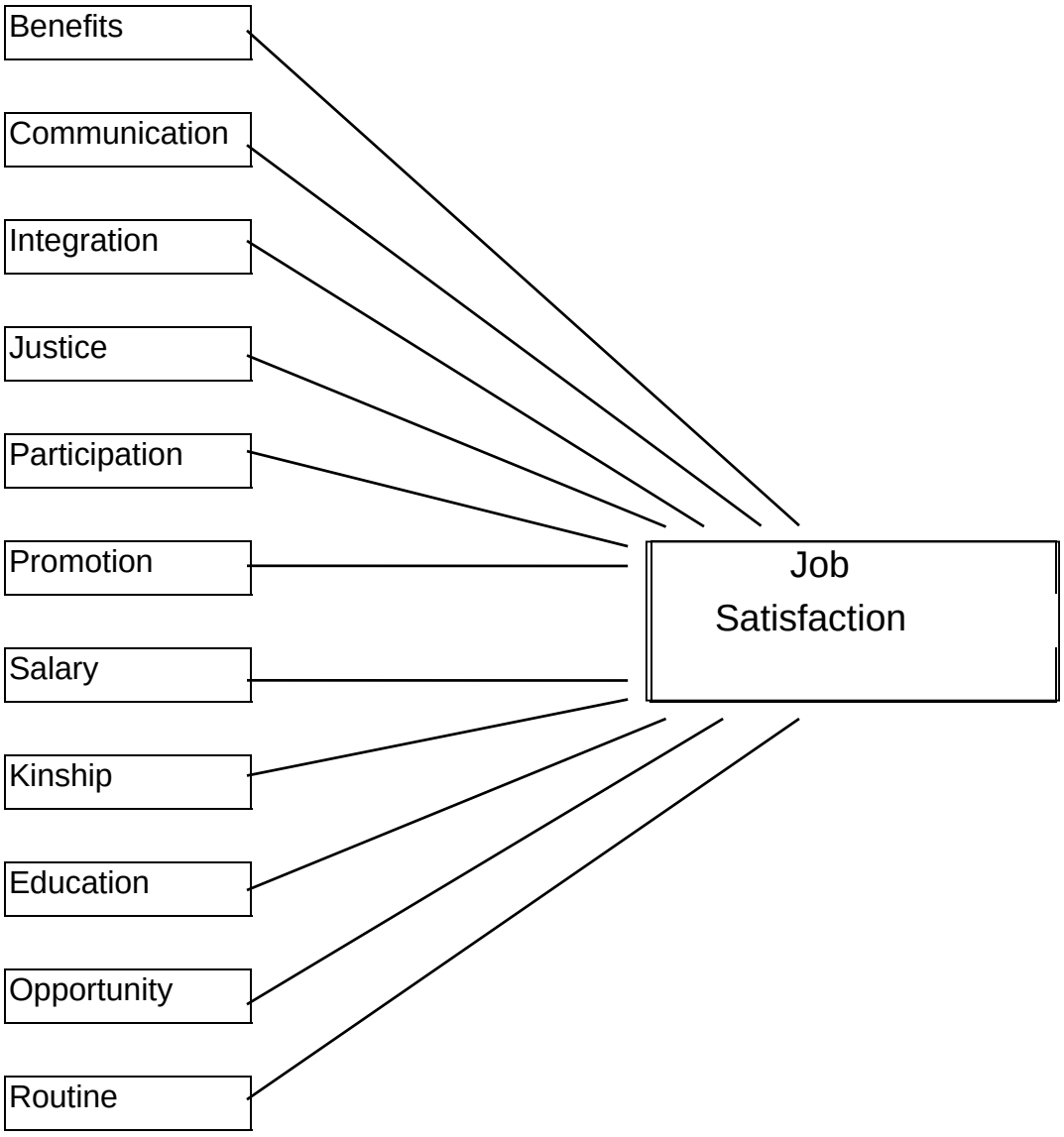
The availability of alternative jobs has consistently been related to turnover rates. Economic conditions and the supply-demand for nurses is a factor of the environment and changes with the business cycle. Literature on this topic was initially studied by March and Simon (as cited in Price & Mueller, 1981), who found that, "When jobs are plentiful, voluntary movement is high; when jobs are scarce, voluntary turnover is small (p. 13)." Later literature supports this finding and is further contributed by others (Mattila, 1974, p. 235), who state, "At least 50 to 60 percent of all workers line up their new jobs before quitting and leaving their old jobs." This signifies that employees' decisions are influenced by the job availability that surrounds them.

Routinization:

The degree to which a job is repetitive has consistently been scrutinized for its effect on employee turnover. An early review of this causal agent by Porter and Steers

Figure 1.

Influential Factors of Job Satisfaction



Based on Price and Mueller 1981; Cavanagh 1992

(1973) exhibited that the trends indicate turnover is positively associated with task repetitiveness. This association of routinization appears to be indirectly linked to job

satisfaction which then can lend itself to turnover behavior. However, these findings are contradicted by Cavanagh's study (1992), where it was found that routinization was associated with satisfaction in nurses rather than dissatisfaction. Therefore, routinization appears to have different effects on separate individuals. This individualistic like or dislike for routinization must be identified by the nurse managers and administrators to effectively manage nursing personnel.

Participation:

This involves the degree of power that an individual can exercise considering their own performance of a job. The focus here has remained on the differences exhibited in organizations that are highly centralized and those that support individual autonomy. Research by Pettman (1973, p. 45) found that "The greater the individual's participation in job assignment, the lower the turnover rate." Thus, it appears that centralization of duties and team-working environments do not always condone better working environments for all employees. A certain level of personal autonomy is required by all individuals if job satisfaction levels are to remain positive.

Communication:

Communication in most general terms means the amount of shared information an individual receives from a colleague or employer and to what degree this information is shared. Turnover appears to be associated with communication in that when individuals are well informed about goals and objectives of an employer, there is less anxiety and ambiguity. Kahn et al. (as cited in Cavanagh, 1989) summarizes this phenomenon best by stating, "Role ambiguity can be caused by rapid organizational change, organizational complexity and the communication philosophy of management; and that the longer an

individual endures these stressors, the more likely turnover will occur (p. 591)." Lyons (1971) supports such findings by exhibiting that nurses who had a high tolerance for ambiguity tended to remain in their jobs, while those nurses who could not tolerate ambiguity and needed improved role clarity left their jobs more frequently.

Salary:

The amount of wage paid is always of great concern to any worker, thus, much attention has been paid by managers and researchers alike. Some of the earliest literature on the subject by Lawler and Goodman et al. (as cited in Price and Mueller, 1981), showed strong support of a negative relationship between pay and turnover. That is, the greater the wage and benefits, the less turnover there appears to be. However, studies by Caston and Braito (1985) found that pay was not a highly regarded feature of work. Perhaps this is explained by the findings of Buerhaus (1993), in which it was found that economic forces such as wages play important roles in nurses deciding to increase or decrease employment hours, but that there is a very weak association with wages and actual turnover. Thus, it appears that wages can become significant factors during stages of an employee's tenure, but that it plays a smaller role if other job satisfaction factors are at comfortable levels for the employee.

Education:

The level of education that a nurse has achieved has been shown by Price & Mueller (1981) and Cavanagh (1987) to be negatively associated with job satisfaction and turnover. It appears that higher levels of education and training may result in poor job satisfaction if certain constraints exist on an employee within their organization that prohibit the use or development of this ability. Cavanagh (1992), states, "Nurses with

higher levels of education changed jobs more frequently than those staff possessing basic qualifications. Similarly, higher qualifications may lead employees to develop different expectations of their job, with the organization being unable, or unwilling, to meet these demands (p. 709)." This association is supported by evidence found by Price & Mueller (1981) that showed that the possession of a bachelor's degree was related to higher rates of turnover. These findings suggest that higher educated employees require greater stimulation and uses of their experience and knowledge than employees with lesser educational backgrounds.

Promotion:

The degree of potential mobility within an organization can be of great importance to those who wish to move up the ladder in their careers. Lawler (1971) found that increased levels of pay and promotional opportunity may assist in the decreasing of turnover within organizations. Without the opportunity for career advancement, many employees become uninterested or dissatisfied with remaining in such a position. Employees will exhibit greater satisfaction in being recognized for good work by being given promotion in rank or pay than if they feel their efforts are not being recognized.

Integration:

The number of close friends an individual has within an organization has been shown by Porter & Steers (1973) and Van de Merwe & Miller (1973) to have a negative relationship on turnover. Van de Merwe & Miller suggest that nurses, much like any other employee, require the feeling of cohesiveness and belonging with their colleagues and employers. If this need is not satisfied, the worker will likely fail to adjust to the

work situation and most commonly withdrawal from it. The camaraderie and comfort that close friends and colleagues can provide an individual within an organization should not be underestimated by administrators as results have exhibited that integration can help create a genuinely comforting environment for employees.

Kinship:

The demand of nurses away from their work can sometimes be more important than their work itself. Raising children, moving for husband's or wife's work, taking care of aging parents are but a few of the incidents were nurses may find themselves more concerned with these issues rather than their own goals or responsibilities at work. A study by Orsolits (1984) found that 27% of nurse respondents stated family relationships as the main reasons for leaving. These findings reduce dramatically the findings of Nash (1966) who found that 52% of the nurses under study listed family reasons as their primary reason for leaving. However, when kinship is present for an employee, it still remains a strong influential factor on that employee's job satisfaction.

These preceding factors are the most notable and important agents that influence employees' overall job satisfaction. Each individual factor is less or more important to each individual nurse, so it is not possible to weight the importance of each factor. What can be noted though is that the importance of these factors is undeniable and that a delicate balance of administrational style must exist that allows these factors to benefit employees rather than hinder them.

Where Satisfaction Leads

The likelihood that one perceives of their continuing participation within an organization has many times been determined a key indicator of turnover. In general, it

is suggested that job satisfaction is the key influence on an employee's intent to stay or leave. The level of satisfaction plays a key role in the decision process of employees who consider their options of employment. Research by many (Atchinson & Lefferts, 1972; Kraut, 1975) has all supported the theory that intent to stay has a negative impact on turnover. That is, the stronger the intent to stay, the less likelihood of turnover. In Mangione's study (1973) it was found that 75 percent of the workers who intended to stay with their present employer were still working with the same employer two years later. Fifty-nine percent of the workers who intended to leave actually left. Thus, intent to stay has been considered by many the final phase of job satisfaction that will predict the future action to be taken by an employee to remain or leave and organization.

THE NURSES PERSPECTIVE

How Nurses View the Job

Understanding nurses' work can elicit powerful insight into what can cause an employee to make the final decision to leave. One of the major commonalties that all nurses appear to experience in their working environments is that of occupational stress. This condition as summarized by Margolis & Kroes (1974) is associated with a disruption in the employee's psychological or physiological homeostasis. Often such stress is brought about by the poor fit between employee and environment. According to Cohen (1989) this can occur either when the job makes demands beyond the worker's ability (stimulus overload), or when the worker is frustrated by an unstimulating job (stimulus underload).

The reasons for added stress or reduced stress among nurses exhibit expected trends. Most of the reasons for positive attitudes towards nursing center around two predominant themes. Patient care and interpersonal relations with co-workers appear to be the most common reasons nurses enjoy their occupation (Cohen-Mansfield, 1989). However, interpersonal relations with co-workers and supervisors are also noted as key sources of increased job stress. A second source of increased stress has often been identified as work overload. Thus, it appears the same work and co-workers/supervisors that can bring comfort to nurses can also be the discomforting factor that drives them to lessened job satisfaction and eventual quitting. Prescott and Bowen (1987) exhibit the most important factors for nurses who left and for those who stayed in Figure 2.

Figure 2.

TEN MOST IMPORTANT FACTORS TO NURSES ABOUT WORKING CONDITION ADEQUACIES.

Those Who Left	Those Who Stayed
Workload	Chile Care Facilities
Staffing	Salary
Time with Patients	Promotion Opportunities
Flexible Scheduling	Fringe Benefits
Respect from Administrator	Staffing
Increasing Nursing Knowledge	Respect by Physicians
Promotion Opportunities	Respect from Administrator
Work Stimulation	Time with Patients
Salary	Workload
Decision Making	Flexible Scheduling

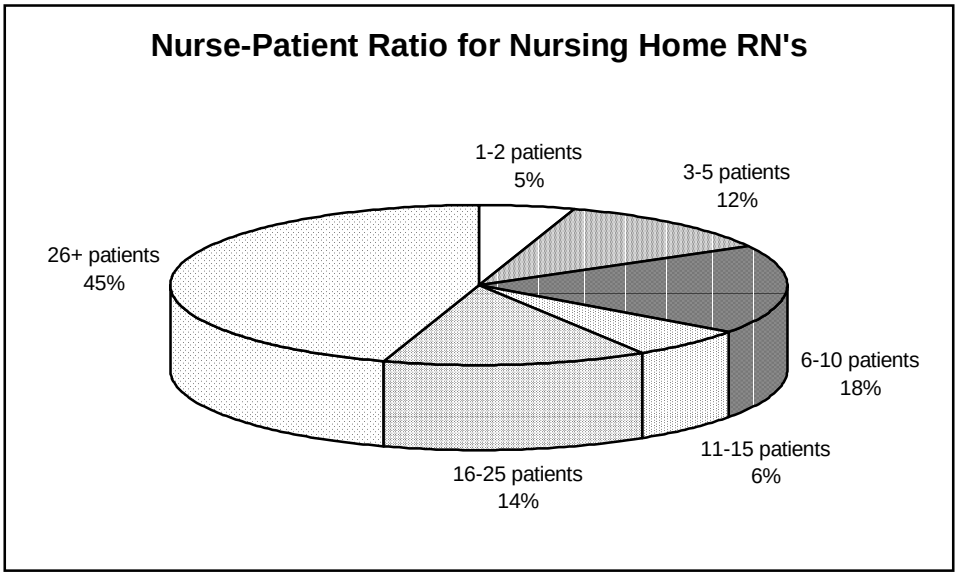
Prescott and Bowen (1987). Nursing Management

Figure 2 indicates the many differences individual nursing personnel have concerning important factors to job satisfaction in the workplace. It is exhibited that for those who left, the most important factor was the workload. It is likely that this phenomenon is due in part to most nursing homes being understaffed and functioning with a low nurse-patient ratio.

Figure 3 exhibits the heavy patient load that most RN's must endure in their workplace. This heavy workload can create a 'ripple effect' as previously described by Mobley (1982) when staffing levels become a constant issue. Greater workload and responsibility are shifted to those nurses who remain, which reduces the time spent by nurses carrying out their own duties that they many times find intrinsically rewarding. This added workload acts as an invasion of the nurse's job satisfaction and can weigh heavily on their decision to remain in such an environment.

Nursing home XYZ is similar to the majority of nursing homes in the staffing levels of nursing personnel. Currently the nurse-patient ratio is 27 patients per registered nurse. This level of staffing is deceptive though because common understaffing of LPN's' and Aides requires RN's' to cover even more patients. Also because of the inadequate staffing levels, RN's' many times spend their time functioning more in the role of Aides than nurses.

Figure 3.



Huey and Hartley (1988) American Journal of Nursing

The demands by nursing personnel for better working conditions remains a constant battle for the nursing manager and administrator to overcome. Flexibility must remain a key tool for administrators to use with their personnel as each individual warrants differing needs and wants. However, as previously exemplified, conditions such as staff-patient ratios is a considerably important issue and easier to manage for administrators than many other select personnel needs. Thus, focusing on the larger and easier to manage issue may help resolve or reduce other adequacies that are below employee's wanted levels.

THE PROCESS OF TURNOVER

Taxonomy of Turnover

Price (1977) defined turnover best when categorizing it as a dynamic movement of an individual across the membership boundary of an organizational social system. The importance of this definition lies in the recognition of turnover as a dynamic movement rather than a single static occurrence. Turnover includes the act of entering an organization as much as it includes the act of leaving an organization.

Bluedorn (1978) expanded upon Price's concept with a taxonomy model based upon the dynamic movement of turnover (see Figure 4). This taxonomy classifies turnover into dichotomous areas that illustrate movement into and out of an organization on both an involuntary and voluntary basis.

Figure 4.

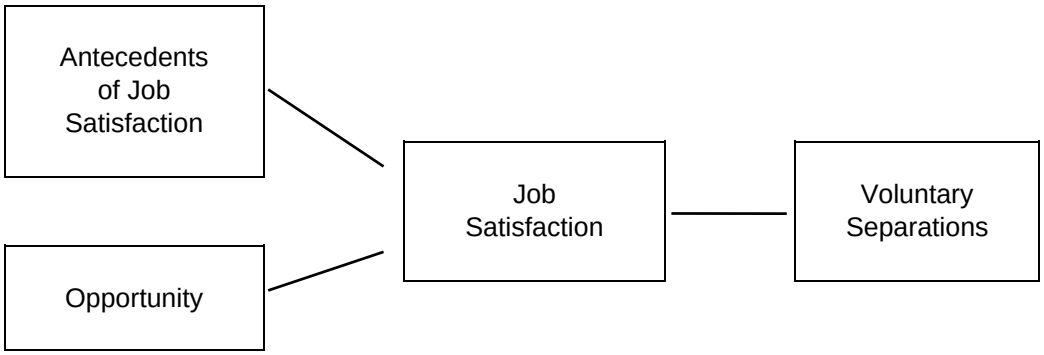
Initiator of Movement	Direction of Movement	
	Into the Organization (Accessions)	Out of the Organization (Separations)
The Individual (Voluntary)	Type II Voluntary Accessions (Taking a Job)	Type I Voluntary Separations (Quitting a Job)
Other Than the Individual (Involuntary)	Type III Involuntary Accessions (Military Conscription)	Type IV Involuntary Separations (Being Fired)

Bluedorn (1978). Taxonomy of Turnover.

Most turnover research has identified with Type I turnover, voluntary separations. This has been closely followed by examination of Type II turnover, voluntary accessions. Essential to this model is the identification of two other existing categories, involuntary accessions and involuntary separations. It is important to identify these four distinct categories when analyzing turnover because they exhibit separate movements of turnover form one another.

Defining and creating a taxonomy are only the first steps in understanding a phenomenon such as turnover. A model of causative factors that influence such dynamic movement of employees across organizational boundaries needs to be addressed. The first attempts at such were done by Bluedorn (1979) in his Separation Model (see Figure 5).

Figure 5.



Bluedorn (1979). Separation Model

In this model, Job Satisfaction serves as the key to whether an employee leaves or not. Two significant variables identified as causal agents to increased or decreased job satisfaction are opportunity and antecedents of job satisfaction. The first, opportunity, identifies the interaction between satisfaction level and the number of alternative jobs available outside the organization. Bluedorn's model stipulates that voluntary separation rates will be higher for dissatisfied members in economies of high opportunity than in

economies of low opportunity. The second variable, antecedents of job satisfaction, is composed of the key structural, economic, and social psychological factors identified previously by Price and Mueller: pay, integration, communication, participation, promotion, kinship, education, routinization, and centralization. These key antecedents of job satisfaction influence the individual's level of job satisfaction and ultimately their decision to remain or leave an organization. Simple by most terms, Bluedorn's Separation Model adds to the strength of turnover research by emphasizing a causal flow and process rather than a static correlation of variables as thought of in the past.

The Actual Turnover Process

Four distinct phases have been identified that employees experience as they progress through the process of turnover (see Table 1).

Stage 1: Initial Conflict Phase

The initial conflict phase generally includes tension between employees or employees and administrators that is not openly resolved. It begins from the moment a nurse or aide experiences unhappiness, tension, or conflict with one or more aspects their job. Most tension and conflict occurs over a lengthy time, thus, emotions of great severity can become overwhelmed by the time a release surfaces. However, Landstrom et al. (1989) found that for up to one third of nurses, this phase was initiated by a particularly disturbing incident that was significant to the nurse. Such an incident could range from anything as a confrontation with a supervisor or colleague, discourse with a fellow employee, or even conflict with a patient. Other sources of identified tension causes include; inadequate staffing, resulting in the inability to practice nursing as desired, increasing patient acuity and workload, lack of co-worker cohesiveness and

support, inadequate educational opportunities and career advancement, and poor pay. In a study done by Landstrom et al (1989), it was found that 85% of the nurses questioned stated that the most common factor that produced anger, fear, bitterness, was conflict between nurse managers and the nurse.

Most employees during this initial stage are subject to emotional tension and extreme discomfort as they attempt to compensate for stressors in their work environment. This period requires great behavioral and emotional control on the part of the employee, generally at the cost of compromising the employees coping mechanisms.

Stage 2: Intensifying Stage

The next step in the process of turnover is that of intensifying emotions to a peak point. For some this involves a single occurrence that finally breaks their emotional stability and for others it is through time that they become emotionally and physically exhausted from dealing with job related conflicts and tensions. During this stage, self-control of behavior and emotions is minimal and frustration and irritation escalate into anger, fear, hostility, and bitterness. This can have a twofold effect on nurses. Some may become more withdrawn from work, while other more extroverted persons may become emotionally volatile and erratic. This stage culminates with most employees feeling they are in a no win situation, panicky about their futures, or bitter towards others around them.

Stage 3: Separation

In this stage, conflicts and tensions have completed exhausted and employee and their only option remains as to when, and how they will leave their employment. Some will leave without employment opportunities at hand while others will wait until another

Table1. Stages of the Turnover Process

	Stage 1: Initial Conflict Phase	Stage 2: Intensifying Phase	Stage 3: Separation	Stage 4: Resolution
Time Frame	Six months to eight months prior to leave-taking.	Two months to six months prior to leave-taking	Resignation to leave taking	Two months to one year after leave-taking
Description	Initial development of conflict and tension related to the job.	Emotions intensified rapidly with some reaching a near-panic state.	Relief experienced when decision completed.	Resolution of confusion in personal values, anger, grief, guilt and bitterness associated with resignation.
	Emotional and behavioral self-control present.		Guilt and/or grief developed	
	Behavior-directed toward tension release and conflict resolution	Behavior-exaggerated but directed toward relief of tension and conflict.		Behavior-many nurses unable to visit former workplace and co-workers.
Administrative Intervention Accepted	Yes (88%)	Minimally (23%)	No (100%)	-----

Landstrom and Biordi (1989). Journal of Nursing Administration

job presents itself. During the time of leaving, many employees experience relief, but many also experience guilt or grief. Many nurses find it emotionally difficult to leave special patients and close co-workers. Separation is not easy for most employees, thus, it is imperative that administrators identify reasons for past employee terminations and resignations and create changes in the policy or environment to lessen such separation causes in the future.

Stage 4: Resolution

Most employees require a period of time to resolve lingering emotions and negative feelings about job termination. Coping and coming to terms with job change due to uncomfortable situations requires time for employees to reassure themselves that they did the right thing and such tensions won't rise again. However, many ex-employees find it difficult to totally resolve their emotional scars from such occurrences and may never again visit their previous job environment or co-workers.

The entire process of turnover can take as little as several months to as long as several years. Constant to the entire process though is the tension and conflict development that builds internally within nursing employees. However, this tension if identified relatively early, can be resolved with much ease. Landstrom (1989) found that 88% of nurses said that some form of administrative intervention during stage 1 of the turnover process could have resolved their issues. This resolution via administrative intervention decreased to a mere 23% during phase 2 and was 0% during stage 3. This suggests that identification of conflicts is essential during the early formation of such tensions. Providing performance evaluations at more regular intervals or creating committees or group meetings to discuss nurses concerns could lead to much quicker identification of such problems and resolve them with more success.

COST OF TURNOVER

Quality of Care

There are some turnover costs that cannot be calculated in dollars and cents but perhaps can actively hinder an organization even more than the bottom line. One of these fundamental costs is the loss of the personal relationship between direct care employees and the individuals that employees serve. A special bond can be formed between patient and caregiver and the separation of this bond can be emotionally distressing to both nurse and patient.

Secondly, the additional burden placed on remaining staff due to employee turnover, can create a stifling environment that can become conducive to even greater turnover. In a study that covered 333 hospitals, it was found that a direct relationship existed between RN turnover and hospital efficiency for both personnel costs and nonpersonnel costs (Alexander, 1994). In essence, the efficiency was reduced and the quality of care compromised from its maximum capability.

As described previously, XYZ nursing home experienced several conditions that indicated quality of care was reduced during times of increased turnover. The number of patient falls increased during months of reduced staffing, and similarly the number of resident concern forms filed by family and patients increased during this same time period. The census level of the facility decreased to a five year low during this period of increased turnover which has been extremely evident during the past three to four years of the facility's operation. Additionally, the last State survey carried out in the facility also produced the most citations the facility has had in years. All of these quality

indicators clearly exhibit that the standard of patient care has been reduced within the facility and that employee turnover plays a significant role in causing such changes.

Monetary Losses

The average cost of recruiting and orienting a nurse in the late 1970's was less than $2,000. However, by the early eighties the cost increased to more than $2,500 (Jolma, 1989). Today, the cost to hire a nurse ranges anywhere from $2,000 to more than $10,000. According to McDonald (1994), even the cost of losing and replacing a CNA can be in excess of $5,000. This dramatic increase and wide variation in cost of recruiting nursing personnel is due, at least in part, to whether the total hire figure includes recruiting, orientation, and turnover expenses in addition to direct hiring expenses. Casico (1981) estimates the replacement cost for most employees to be as high as 50 percent of the employee's first year income. However, studies that include hidden costs of turnover, estimate that replacement costs can range all the way up to two times the annual salary of the position in question (Phillips, 1990).

These monetary losses that an organization must sustain with high employee turnover can at times be devastating. In fact, high employee turnover is frequently cited as a major contribution to lagging U.S. productivity and the failure of many U.S. industries to compete effectively (Phillips, 1990). For health care, this high monetary loss due to turnover equates to decreased quality of care, less efficient delivery of care, and less empowerment of providers due to financial constraints.

Part of the basic problem with both health care and other industries, is that direct costs associated with employee turnover can be extremely deceiving to administrators and managers. According to Phillips (1990), the cost of replacing employees can be

underestimated by as much as 80 percent due to hidden costs. Such variable costs as inefficiencies of incoming and departing employees, coworkers, and of the position while vacant are not only difficult to quantitatively measure but are generally not calculated into the cost of turnover indexes of most organizations.

XYZ Turnover Costs

The following process will closely calculate the direct (visible) and indirect (hidden) cost-of-turnover variables in eight categories for XYZ nursing home. Five of the variables are hidden, and all relate to some inefficiency: that of incoming employees; co-workers closely associated with incoming employees; departing employees'; co-workers closely associated with departing employee; and the position being filled while vacant. The remaining three variables are visible: out-of-pocket processing costs, Human Resource department processing costs, and non-HR employee processing costs.

The basis for calculating productivity and efficiency losses was from general averages derived from discussions with nurse managers, human resource personnel, nurses, and nurse aides. Salary data is drawn from the Fiscal Year 1999 budgets of XYZ nursing home. Benefits include a 7.65% match in employee salary by the company for Social Security and medical coverage while a best guesstimate of $200 per employee is used for insurance coverage costs.

Other benefit data such as: tuition reimbursement, recruitment bonuses, attendance bonuses, weekend bonuses, third shift bonuses, holiday and vacation pay, personal days, prescription coverage, short-term disability, and employee 401K plans were not available to include in this study. Also, all calculations for personnel were based upon a 40-hour workweek, which is a minimum amount of hours worked for the

majority of nurses in this study. Therefore, it is expected that final cost-of-turnover values are actually considerably higher for some employees than the calculated values.

Hidden Costs

Figures 6 through 13 explain how the figures for cost of turnover were calculated.

1. Inefficiency of incoming employee: (see Figure 6)

Nurse managers, and nurses were asked how long they felt it took nursing personnel to reach 25%, 50%, 75%, and 100% efficiency. The average time to reach the

Figure 6.

INCOMING EMPLOYEE INEFFICIENCY

INEFFICIENCY LEVEL	MONTHS REQUIRED	X	AVERAGE EFFICIENCY	X	MONTHS OF FULL PRODUCTIVITY
0-25%	1.7	X	0.125	X	0.2
25-50%	1.9	X	0.375	X	0.7
50-75%	3.5	X	0.625	X	2.4
75-100%	4.8	X	0.875	X	4.2
CUMULATIVE MONTHS	11.9				7.5

Therefore, on average, it required almost 12.0 months to reach full productivity, during which only 7.5 months of equivalent full performance was achieved, resulting in 4.4 months of lost efficiency.

X1 = A X B
WHERE:
A = MONTHS OF LOST PRODUCTIVITY DUE TO LEARNING CURVE
B = MONTHLY SALARY AND BENEFITS OF INCOMING EMPLOYEE

CNA STARTING - $5280	CNA AVERAGE - $5985
LPN STARTING - $8448	LPN AVERAGE - $10,560
RN STARTING - $11,000	RN AVERAGE - $12,760

Phillips (1990). Personnel Journal

level of 100% efficiency was predicted to be just less than 12 months. The amount of productivity lost during this time of deficient efficiency was calculated to be 4.4 months. Therefore, for the first year of employment, it could be expected that new nursing

personnel would actually only produce 7.5 months of equivalent full performance due to the learning process of the position.

2. Inefficiency of co-workers associated with incoming employees: (see Figure 7)

Time devoted to orientating incoming employees detracts from the efficiency of other jobs within the nursing department. Nurse managers were asked to estimate time devoted to helping incoming employees reach full efficiency. On average, nurse managers reported about 25% of their work day, 10% of other department exempt staff members, and 10% of the workday of nonexempt staff members for the several months necessary to get new employees to a competent and efficient level. Most of this time was spent

Figure 7.

INEFFICIENCY OF THOSE CLOSELY ASSOCIATED WITH INCOMING EMPLOYEE	
X2 = (C + D + E) MONTHS REQUIRED TO REACH FULL EFFICIENCY	
WHERE:	
C = C1 X C2	
D = D1 X D2	
E = E1 X E2	
WHERE:	
C1 = Percent of time supervisor spends helping incoming employee reach full efficiency	
C2 = Monthly salary and benefits of supervisor	
D1 = Percent of time other department exempt staff member spends helping incoming employee reach full efficiency	
D2 = Monthly salary and benefits of exempt employee	
E1 = Percent of time department nonexempt staff member spends helping incoming employees reach full efficiency	
E2 = Monthly wages and benefits of nonexempt employee	
CNA STARTING - $1125	CNA AVERAGE - $1125
LPN STARTING - $1400	LPN AVERAGE - $1400
RN STARTING - $1400	RN AVERAGE - $1400

Phillips (1990). Personnel Journal

orienting the new nurse to the other staff, the patients, and policies and procedures of the facility. It is important for administrators to note that these first two hidden cost variables can be quite expensive (as indicated by XYZ nursing home) and will occur whether a replacement is needed for a vacant position or a new position is being created. Thus, it is easy to realize how important it is to maintain the staff that the facility already has than to incur the cost of replacing a vacated position or adding an additional position without just cause.

3. Inefficiency of departing employees: (see Figure 8)

Nurse managers also estimated that on average, nursing efficiency begins to decline about six weeks before workers leave. By estimating levels of efficiency over this time, it is estimated that during this last six weeks of employee tenure, about one-half month's full productivity is lost.

Figure 8.

DEPARTING EMPLOYEE INEFFICIENCY

INEFFICIENCY LEVEL	WEEKS AT LEVEL	X	AVERAGE EFFICIENCY	X	WEEKS OF FULL PRODUCTIVITY
100 - 75%	2.6	X	0.875	X	2.2
75 - 50%	1.4	X	0.625	X	1
50 - 25%	1.1	X	0.375	X	0.4
25 - 0%	1.2	X	0.125	X	0.2
CUMULATIVE WEEKS	6.3				3.8
EQUIVALENT MONTHS	1.5				0.9

Therefore, a departing employee began to lose productivity about 1.5 months prior to departure. During that 1.5 months, only an equivalent of about one month of full productivity was achieved, resulting in 0.6 months of lost efficiency.

X3 = F X G
WHERE:
F = MONTHS OF LOST PRODUCTIVITY OF DEPARTING EMPLOYEE
G = MONTHLY SALARY AND BENEFITS OF DEPARTING EMPLOYEE

CNA STARTING - $600	CNA AVERAGE - $676
LPN STARTING - $960	LPN AVERAGE - $1200
RN STARTING - $1250	RN AVERAGE - $1450

Phillips (1990). Personnel Journal

4. Inefficiency of co-workers closely associated with departing employees: (see Figure 9) Similar with incoming employees, inefficiency of departing employees can have a domino effect within the department. Staff are forced to cover or assume responsibility for lost efficiency of a nurse during the process of departure. On average, nurse managers predicted that 10% of every workday is devoted to covering for others inefficiencies, while 5% of both exempt and nonexempt staff time is lost due to inefficiencies caused by a departing employee.

Figure 9.

INEFFICIENCY OF THOSE ASSOCIATED WITH DEPARTING EMPLOYEE	
X4 = (H + I + J) MONTHS OF DEPARTING EMPLOYEE DECLINING EFFICIENCY	
WHERE:	
H1 = Percent of supervisor time related to departing employee activities during declining efficiency.	
H2 = Monthly salary and benefits of supervisor	
I1 = Percent of exempt staff time related to departing employee activities during declining efficiency.	
I2 = Monthly salary and benefits of exempt employee.	
J1 = Percent of time nonexempt staff time related to departing employee activities during declining efficiency.	
J2 = Monthly wages and benefits of nonexempt employee	
CNA STARTING - $490	CNA AVERAGE - $490
LPN STARTING - $600	LPN AVERAGE - $600
RN STARTING - $600	RN AVERAGE - $600

Phillips (1990). Personnel Journal

5. Inefficiency of position being filled while vacant: (see Figure 10)

As difficult as it is to determine the inefficiencies caused by departing and incoming employees, it is obvious that inefficiencies exist when a position remains vacant. Nurse managers estimated that about one-third of a nursing unit's efficiency was sacrificed during periods of vacancies. Duration of vacancies for nursing positions is extremely unpredictable. Therefore, a minimum duration of two weeks was used as a baseline calculation for this item. This is based on the conclusion that the swiftest of

turnovers would require at minimum a week to advertise, interview, and run background checks, and a second week required for a mandatory orientation period. This duration should be considered a minimum estimate of actual cost. A study done by Shelby, found that 51% of nursing homes surveyed averaged three months or longer to recruit a registered nurse. Therefore, calculated costs for this inefficiency should be considered a minimal cost, not an average.

Figure 10.

INEFFICIENCY OF POSITION BEING FILLED WHILE VACANT	
X5 = K + L	
WHERE:	
K = K1(K2 X K3)	
L = [(L1 X L2) + (L3 X L4) + (L5 X L6) + (L7 X L8) + (L9 X L10)]K1	
WHERE:	
K1 = Duration of vacancy in weeks	
K2 = Percent of position efficiency sacrificed while vacant	
K3 = Weekly value (salary and benefits) of vacant position	
L1 = Hourly salary and benefits of supervisor	
L2 = Average regular hours per week supervisor devotes to position	
L3 = Hourly salary and benefits of exempt staff	
L4 = Average regular hours per week exempt staff devotes to position	
L5 = Hourly wages and benefits of nonexempt staff	
L6 = Average regular hours per week nonexempt staff devotes to position	
L7 = Average weekly exempt hours subject to overtime	
L8 = 1 - Hourly overtime rate for exempts	
L9 = Average weekly nonexempt hours subject to overtime	
L10 = 1 - Hourly overtime rate for nonexempts	
CNA STARTING - $1105	CNA AVERAGE - $1143
LPN STARTING - $1062	LPN AVERAGE - $1141
RN STARTING - $1141	RN AVERAGE - $1240

Phillips (1990). Personnel Journal

Visible Costs

1. Out-of-pocket processing costs: (see Figure 11)

Process costs include advertising, orientation, and training of nursing personnel. However, CNA training classes are not included in this calculation because it was not

possible to determine the number of aides that had taken the 72-hour course paid by XYZ nursing home to train uncertified aides. These costs calculate only the expenses and charges required to hire a new employee and not the time value spent by staff to carry out these processes.

Figure 11.

OUT-OF-POCKET PROCESSING HIRING COSTS	
X6 = M + N + O + P	
WHERE:	
M = M1 X M2	
N = (N1 X N2 + N3)N4	
O = O1 X O2	
P = (P1 X P2 X P3)P4	
WHERE:	
M1 = Average expenses via recruiting	
M2 = Hires via recruiting/total hires	
N1 = Agency fee as a percent of annual salary	
N2 = Average annual salary of hires via agency	
N3 = Average expenses other that search fee via agencies	
N4 = Hires via agencies/total hires	
O1 = Average expenses via other sources	
O2 = Hires via other sources/total hires	
P1 = Average agency outplacement fee as a percent of salary	
P2 = Average salary of outplacements	
P3 = Average expenses other that agency outplacement fee	
P4 = Outplacements/total terminations	
CNA STARTING - $500	CNA AVERAGE - $500
LPN STARTING - $500	LPN AVERAGE - $500
RN STARTING - $500	RN STARTING - $500

Phillips (1990). Personnel Journal

2. Human resources department processing costs: (see Figure 12)

The Human Resource Manager was asked to determine the percentage of the department's time required to recruit, process, and orientate incoming and departing employees. This estimate was applied to the annual departmental budget, excluding out-of-pocket processing costs and averaged across all hires for 1996.

Figure 12.

HUMAN RESOURCES PROCESSING COSTS	
X7 = Q X R / S	
WHERE:	
Q = Percent of department time devoted to processing incoming and departing exempt employees	
R = Annual department salaries, wages, benefits and expenses	
S = Total hires	
CNA STARTING - $143	CNA AVERAGE - $143
LPN STARTING - $143	LPN AVERAGE - $143
RN STARTING - $143	RN AVERAGE - $143

Phillips (1990). Personnel Journal

3. Non-human resources employee processing costs: (see Figure 13)

Nurse managers were asked to estimate the number of departmental hours required to process a replacement for a departing employee. On average, nurse managers

Figure 13.

NON-HUMAN RESOURCES EMPLOYEE PROCESSING TIME	
X8 = T + U + V	
WHERE:	
T = T1 + T2	
U = U1 + U2	
V = V1 + V2	
WHERE:	
T1 = Hourly salary and benefits of hiring supervisor	
T2 = Hours manager devotes to processing a replacement	
U1 = Average hourly salary and benefits of other department exempt employees	
U2 = Hours exempt staff devotes to processing a replacement	
V1 = Average hourly wages and benefits of department nonexempt employees	
V2 = Hours nonexempt staff devotes to processing a replacement	
CNA STARTING - $100	CNA AVERAGE - $100
LPN STARTING - $100	LPN AVERAGE - $100
RN STARTING - $100	RN AVERAGE - $100

Phillips (1990). Personnel Journal

estimated they spent about 5 hours, their exempt staff spent about 2 hours and their nonexempt staff about 1.5 hours processing a single replacement. These estimates were applied to the 1996 salaries of the nurse managers and other staff involved in the processing of new employees.

Calculating the costs of turnover is exhibited in Figures 14 and 15. These calculations project that costs of turnover range from 53% to 64% of the salaries for nurses and aides. These values are considered minimums because as discussed previously, several costly turnover factors are not included in the calculations. Addition of benefits, longer vacancy times, and more training expenditures could easily add 10 to 20% to the turnover costs for nursing personnel. Secondly, these values can only be attributed to XYZ nursing home as wage scales, benefit packages, and other expenses vary in different facilities and environments.

Figure 14.

COST OF TURNOVER
T = X1 + X2 + X3 + X4 + X5 + X6 + X7 + X8 + X9
WHERE:
X1 = Incoming employee inefficiency
X2 = Inefficiency of those closely associated with incoming employee
X3 = Departing employee inefficiency
X4 = Inefficiency of those closely associated with departing employee
X5 = Inefficiency of position being filled while vacant
X6 = Out-of-pocket processing costs
X7 = Human resources processing costs
X8 = Non-human resources employee processing costs
X9 = Relocating costs

One of the most significant findings in this cost analysis of employee turnover is the amount of cost incurred due to hidden costs. In XYZ nursing home, hidden costs accounted for 93% to 96% of the total cost to hire a new nursing employee. This

demonstrates that without calculating some or all of these hidden costs for hiring nursing personnel, administrators are severely underestimating the cost involved in replacing their employees.

Figure 15.

FINAL COST OF EMPLOYEE TURNOVER FOR FULL TIME NURSING PERSONNEL IN XYZ NURSING HOME.

TURNOVER INDICATORS	STARTING CNA'S WAGE	AVERAGE CNA'S WAGE	STARTING LPN'S WAGE	AVERAGE LPN'S WAGE	STARTING RN'S WAGE	AVERAGE RN'S WAGE
X1	$5,280	$5,949	$8,448	$10,560	$11,000	$12,760
X2	$1,125	$1,125	$1,400	$1,400	$1,400	$1,400
X3	$600	$676	$960	$1,200	$1,250	$1,450
X4	$490	$490	$600	$600	$600	$600
X5	$1,105	$1,143	$1,062	$1,141	$1,141	$1,240
X6	$500	$500	$500	$500	$500	$500
X7	$143	$143	$143	$143	$143	$143
X8	$100	$100	$100	$100	$100	$100
X9	$0	$0	$0	$0	$0	$0
X TOTAL	$9,343	$10,126	$13,213	$15,644	$16,134	$18,193
Average Salary of position	$14,400	$16,224	$23,040	$28,800	$26,800	$34,560
Ratio of salary to turnover costs	0.64	0.62	0.57	0.54	0.60	0.53

These calculations warrant consideration that a turnover avoidance program could be very cost effective to XYZ nursing home. Even if a considerable investment is required, returns could be relatively quick. For example, if $50,000 were spent on turnover avoidance, a reduction of as few as 3 RN's could lead to a return of the investment. Thus, the high cost of turnover can easily be combated, but it is the initial cost of the program that administrators must overcome in order to effectively create such a program. Once in place, a turnover reduction program can quickly and easily pay for itself and much more.

TURNOVER REVISITED

New Models and New Solutions

New theories on the process of turnover have built upon the foundations created by earlier researchers. Abelson (1986) developed the theory of turnover using both the characteristics of turnover being a dynamic process and of identifiable factors that influence an individual's actions during the turnover process (see Figure 16).

Three distinct areas have been identified as key influential factors of the decision process of employees contemplating turnover. These areas are categorized as individual level factors, organizational level factors, and environmental level factors. Each contains a myriad of variable factors that influence an individuals thoughts, emotions, and reasoning capabilities concerning employment situations.

Individual level factors:

Individual demographics including age and tenure are key variables in this area. The importance of such factors is exhibited by the fact that older, more tenured employees are more resistant to leaving an organization than are younger, less experienced individuals (Mobely as cited in Abelson, 1986). Similarly, employees with greater family responsibility are less likely to leave than those who have little or no family responsibilities (Ableson, 1986). This information can be used by administrators to determine a strategic plan for future hiring needs. Nursing homes that are composed of older, longer tenured staff who have more family responsibility will have relatively stable personnel.

Other individual level factors that influence employees' perception of job satisfaction are organizational or professional commitment, appropriate leadership behavior, ambiguity, conflict, and tension from the job. Each of these can be carefully

estimated by an administrator to discern the level of employee satisfaction that is present within the organization.

Organizational level factors:

Financial rewards, individual growth opportunities, job design, technology, and organizational politics are some of the organizational level factors that impact aspects of the turnover process. Rate differentials and area wage differences are two financial rewards that administrators must consider when dealing with employee job satisfaction. Pay seems to influence the greatest during step 1 when job satisfaction is in a state of flux for an employee and then later in step 4 when alternative job opportunities are considered.

Hellriegel and White (1973) support the importance of financial incentives, but also note that although employees use wage scales when making decisions about where to work, the impact of pay considerations decreases once the decision is made. This makes it key for administrators to realize that employees are actually resistant to the turnover process when they are satisfied, even if pay is little less than available elsewhere. Thus, sacrificing other beneficial satisfaction areas purely to increase wages will likely produce more negative effects than positive over the long run for an organization.

Individual growth opportunities such as career advancement, availability of continuing education and tuition reimbursement programs are also important factors within the organizational level area. These type of incentives will be considered by employees when comparing their current position with other employers (step 4). In general, staff will frequently look first internally for career advancement opportunities

before pursuing external opportunities (Abelson, 1986). Therefore, administrators should note that the turnover process can be interrupted in the early stages by rewarding high performers with the advancement they warrant. If no advancement incentives are presented to high performers, they will eventually leave the organization totally, leaving poorer performers to remain in the organization.

Job design and technology are additional organizational level factors that influence the turnover process. It has been exhibited that jobs with higher levels of autonomy lead to much higher satisfaction levels for employees (Griffin, 1982). Thus, staff with greater autonomy are less likely to think about quitting (step 2) or intending to search elsewhere (step 3). Administrators might organize the organizational structure to meet these needs for more of their nursing personnel. Allowing nurses to function in more of a primary care role where they are responsible for the patient's entire care rather than just a part of it would produce the autonomy sought rather than a team nursing approach.

Technology in medicine has constantly moved at an accelerated pace. Some staff are overwhelmed by such new and complicated devices while others thrive on learning new advancements. On the patient end of technology, some nurses prefer to work with patients whose diagnosis is clearly defined, who are stable, and require noncomplex treatment. Other staff are satisfied with differing sets of patient conditions. It is important for administrators and nurse managers to realize such preconceptions and assign staff to areas that they feel most comfortable in if at all possible.

Size and organizational policies are two factors that closely coincide with each other. In general, larger facilities tend to have more rigid policies and less concern for

particular staffing needs (Abelson, 1986). This needs to be compensated for by the administrator by creating personal, interaction type activities with the staff to both voice concerns and listen to concerns of the employees. Common solutions to this are human relations activities and support type meetings that allow conflicts and concerns to be proactively worked out before they become unmanageable problems.

Environmental level factors:

Environmental level factors are the most difficult for administrators to influence because of the lack of control the administrator has on certain outside forces. An unfavorable environment may dictate that an administrator pay closer attention to compensation through organizational and individual level factors. For example, employees will less readily tolerate lower pay scales and less flexible organizational policies if the environment around them is unsatisfactory. Although environmental factors effect every step in the turnover process, they are most influential on the intent to seek, and actual search for alternative jobs (step 3) and when comparing the present job with possible alternatives (step 4).

The physical environment and metropolitan size both influence turnover decisions. Physical environments that are favorable decrease tensions of employees and allow them to focus on their work and not have concerns about their surroundings. Similarly, metropolitan size affects turnover because a larger community means more potential opportunities for a spouse in a dual career family and more opportunities to move to other organizations will exist. Administrators must realize the physical environment of the facility and the surrounding area so that they may work towards creating a favorable environment within the facility that maintains employee satisfaction.

If done effectively, a favorable environment can almost disincentive employees from wanting to look for alternative employment opportunities.

The economic situation of the community can also influence turnover process decisions. Such things as higher mortgage rates and higher costs of living may frustrate movement of potential employees to a work environment. This is especially important for health care organizations in smaller communities because they may be at a disadvantage by having smaller pools of potential employees to select from. Thus, administrators must be prepared to offset such environmental negatives with additional resources that compensate employees for less favorable factors within the environment.

The extent to which an organization's reputation is positive in the immediate community, state, or nation also influences the turnover process. According to Bluedorn (1982), the better the reputation, the easier it is to keep and attract competent staff. It is not unusual for employees to defer some other need or want in exchange for association with a highly respected organization.

Finally, the extent of support organizations present in the community affects turnover decisions. If school systems, municipal facilities, religious, or cultural activities are lacking, the ability to attract and keep staff is adversely affected (Abelson, 1986). Administrators should be knowledgeable of these environmental factors and not recruit employees in need of such activities if they cannot be provided.

These factors affecting turnover are summarized in Table 2 along with additional managerial actions that administrators should consider when dealing with employee turnover issues.

TABLE 2.
FACTORS AFFECTING TURNOVER AND IMPLICATIONS FOR MANAGEMENT

FACTOR	MANAGEMENT ACTION
Individual-level factors	
Age Tenure Marital Status Family responsibility	Use to identify units that may experience higher turnover and strategically plan for future personnel hiring needs.
Organizational, professional, commitment	Clearly define employee role and responsibility for incumbents and potential employees
Ambiguity, conflict, tension	Decrease job pressures
Leader behavior	Restructure organization to capitalize on leadership techniques and skills - deal with subordinate interactions and needs - reward or punish at appropriate levels and times - identify and deal with conflict situations
Organizational-level Factors	
Financial rewards	Amount has most influence at entry and decreases after that. Do not sacrifice other important needs that effect staff directly just to increase pay.
Growth opportunities	Develop and implement career development programs. Offer college/education reimbursement. Promote good performers from within or they will likely leave. Transfer good performers who are dissatisfied.
Job design	Give more autonomy and responsibility to capable staff who want it.
Technology	Assign people to technologies (machine and patient) they enjoy and can handle.
Organization policies and climate	Have appropriate level of rigidness & flexibility. Schedule human resource activities. Support the staff or hire staff who can be supported.
Size	Interact with staff at all levels.

FACTOR	ACTION
Environmental-level factors	
Favorableness of environment toward organization	Unfavorable environment: look closer at individual and organizational level factors for changes needed to maintain staff. Favorable environment: be less concerned with individual and organizational factors.
Competitive environment	The more competitive, the less employees tolerate problems on individual and organizational level.
Geographic location	Favorable location attracts personnel.
Metropolitan size	Larger size is attractive for dual careers; smaller is safer and requires less commuting.
Changing or turbulent environment	More resources are needed for equipment while revenues become uncertain because of changing reimbursement mechanisms. This means more efficient administration and delegation of responsibilities to capable subordinates so administrators can do the most crucial activities.
Support organization	Quality and number of schools, municipal services, cultural activities, and sporting events affect ability to attract staff; administrators may support local activities, develop their own, interact with those in surrounding areas if activities are lacking
Organizational reputation	Improve community, state, and national reputation by focusing on distinctive competencies.

Abelson, 1986 Health Care Management Review

Summary

The pattern of reasons for turnover varies from nurse to nurse and organization to organization. This implies the importance for administrators of not focusing on one single pattern of factors to identify reasons of turnover. Also it suggests that turnover cannot be overcome with one or two remedial actions which will appeal to all nurses. As stated by Van der Merwe & Miller (1971, p. 237), “Labor turnover is not a

straightforward process, and it is unlikely to be successfully countered by over-simplified schemes for its control...conventional measures fail to provide adequate insight into the complex factors which are likely to be involved."

There is no question that turnover of nursing personnel is detrimental to the functioning of nursing homes including XYZ nursing home. Certainly such large deficits created in the budget by departing employees would reduce the fiscal operations of any organization, but the human service industry that health care is part of adds a new and important feature to the turnover issue. Patient care is the primary function of nursing homes and their personnel, and it would be logical to conclude that this care is compromised by understaffed, undertrained, and inefficient personnel that remain in nursing homes. Thus, administrators must accommodate for such forces and be well prepared to deal with such issues and manage their employees as carefully as the nursing personnel manages each of their patients.

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