THE OTHER ELEPHANT IN THE HOSPITAL ROOM

LFT SURVEY:
HOSPITAL STAFF HIRING & TURNOVER
(MAY 2017)
As the United States government continues to be embroiled in health care policy and new ways to effectively legislate health care, there remains another elephant in the room. Will there even be enough people to treat and provide the necessary hospital services being contemplated?

Data from a new Leaders for Today survey shows that hospitals are facing unprecedented turnover and attrition, and the numbers are alarming. The turnover of people who work in hospitals is at a level rarely seen in other industries, particularly human capital based businesses like health care.

Turnover isn’t limited to certain areas, it is full throttle in the most important leadership and clinical positions in the hospital – C-Suite, clinical administration, non-clinical administration, physicians, and nurses. Survey data shows that hospitals are on a pace of needing to replace virtually half of their staff every five years. That is a tall task. Adding fuel to the fire is the looming retirement bubble, where the industry will lose considerable experience and skillsets that are not easily replaced.

Unlike other industries which have faced hiring challenges and adopted their approaches, the health care delivery industry seems to be struggling to adopt. Professional development to nurture employee skills and career progression in hospitals has never been considered “world class.” The same is true with hiring practices.

As this survey illuminates, online and social media postings aren’t particularly effective in attracting these employees, yet hospitals continue to spend significant dollars and time waiting on these platforms to yield results. At the same time, the searching, screening, vetting and hiring process has only gotten longer – even when the market calls for a faster more streamlined approach. Tech and foodservice businesses have undergone similar changes, but have transformed their hiring approach to react to a tighter, changing labor pool. Poor candidate follow up? Searches that take a year or more to complete? Recycling the same hires? That’s a hard way to entice a candidate or to run a business. Websites and software that lag behind large companies in other industries? Something needs to change.

The LFT Industry Survey: Hospital Staff Hiring & Turnover details a troubling state of turnover and attrition, with a waning pool of qualified candidates. The survey report uncovers data in the following key areas:

- Unprecedented turnover among hospitals at all key levels
- A shrinking talent pool as more hospital employees age toward retirement
- The crowded online posting market, and why it’s ineffective in health care
- A painfully slow hiring process that is frustrating candidates and hurting hospitals

SURVEY DEMOGRAPHICS

Total respondents: 852

Respondents: C-Suite Executives, Clinical Administration, Non-Clinical Administration, Staff Physicians, Staff Nurses.

Survey execution: Launched in April 2017, the survey was distributed to approximately 12,000 people who work in hospitals across the nation.

“SURVEY DATA SHOWS THAT HOSPITALS ARE ON A PACE OF NEEDING TO REPLACE VIRTUALLY HALF OF THEIR STAFF EVERY FIVE YEARS.”
HOSPITALS HAVE A TURNOVER PROBLEM: DO YOU TRUST A HOSPITAL WITH NO CONTINUITY?

Turnover in the hospital industry is rampant, and it’s leaving hospitals and hospital hiring teams with serious problems. Alarming, 42.8 percent of respondents have been with their current hospital for fewer than two years and 65.7 percent have been with their current hospital for fewer than five years.

The most shocking numbers? 37.0 percent of candidates plan to leave their current hospital within the next two years and 68.6 percent plan to leave within five years.

How are hospitals supposed to be up to speed on infection control initiatives, safety protocols, and other compliance issues when the majority of the hospital staff is still new to the hospital? The institutional knowledge gap is only growing, as hospital employees from top-level leadership positions to staff nurses are switching jobs at a rapid pace.

The scary news is that turnover isn’t slowing down. Over 50 percent of all candidates surveyed by LFT have worked for at least five hospital organizations in their career, and only 3.9 percent of candidates have stayed with a single hospital for their entire career. Even younger candidates are switching jobs frequently as 52.6 percent of people under 30 have switched jobs at least once and 82.9 percent of people under 40 have switched jobs.

This data does not scream stable workforce. Rather, it becomes a vicious cycle of departments being understaffed, working long hours for too long a period, resulting in burn out among existing employees, and, typically, a feeling that they are being underpaid for the extra work they are doing. As a result, people leave for the next job.

WHERE TURNOVER HITS HOSPITALS THE HARDEST

How many years do you expect to stay with your current organization?

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<tr>
<th>Turnover within 2 years</th>
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<td>Non-Clinical Admin</td>
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<td>Clinical Admin</td>
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<td>C-Suite</td>
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<th>Turnover within 5 years</th>
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<tr>
<td>Non-Clinical Admin</td>
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<td>Clinical Admin</td>
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The reality is that the current hospital ecosystem promotes high turnover. LFT’s survey results show that 27.4 percent of respondents left their job for a promotion or better opportunity for advancement. Another 14.4 percent left for better compensation. This means well over half of people left (58.2%) for other reasons including long work hours, frustration or burn out, resulting in a “vicious cycle” caused by understaffing and a lack of experience.
Looking at the problem at a more granular level, while the survey responders rated some facets of the work environment more favorably than others, 25 – 50 percent of people selected a one or a two ranking (the lowest rankings) for each of the different workplace satisfaction categories below. This is traditionally not the kind of satisfaction that keeps people in their jobs.
The biggest eye-opener is that half (48.4 percent) of the respondents, consistent with their primary reason for leaving an organization outlined above, gave their employer a poor score as it relates to the opportunity for career advancement. Organizations that rate poorly in this area are unlikely to keep their best people for very long, particularly when the overall economy is reasonably solid. Good employees don’t stay if they feel they don’t have promotion opportunities. That’s likely why nearly 21 percent of the people surveyed are actively seeking new jobs and four out of five people are at least listening to new job opportunities – even though they, on average, have not been at their current job very long.

The beacon of light in all this is that even though so many people are searching for their next gig, 67.6 percent of people would recommend their current job to others considering a career move and 82.3 percent of people feel some sense of loyalty to their current employer. Employees seem to understand that running a hospital is not an easy task, and that moving to a new job is part of the job lifecycle in health care delivery, not an act of defiance for an ungrateful employer. The problem is that the industry is drifting towards being one big temporary employment agency.
HOSPITALS HAVE A RETIREMENT PROBLEM: WHY THE TALENT POOL IS PERILOUSLY SHALLOW

High turnover, in any industry, often leads to limited institutional knowledge, reactive decision making, job burnout, and frustration across the team. Yet, those may not even be the most daunting issues that hospitals are facing. As the hospital workforce ages – a workforce that has worked longer than it expected – hospitals are looking at a significantly shrinking pool of experienced talent.

Nearly 50 percent (47.7%) of respondents indicated they plan to stop working within the next ten years. For context, a typical industry would expect 20-25 percent of its workforce to retire in any given ten-year window. While ten years may seem like an eternity given everything that hospitals have on their plate right now, 22.1 percent of those surveyed – one out of five of a hospital’s most valuable people – are expected to retire within five years. The bottom line is that the health care delivery industry is on the precipice of losing a huge portion of its knowledge and experience. It will be very, very challenging to replace half of the skilled workforce in such a short period of time.

To ensure that future hospital CEOs won’t be getting any sleep anytime soon, more than 80 percent of survey respondents indicated they plan to stop working within the next 20 years.
HOSPITALS HAVE A CANDIDATE MORTALITY PROBLEM

We’re not talking about the applicants themselves dying. What can die, though, is the candidate’s interest in a position if they are dragged through inaccurate job descriptions, unclear resume submission protocols, uncertain position availability, rescheduled phone screens, personality profile examinations and more – especially if there is no real feedback. As turnover creeps higher, the current perception of potential candidates is that the process of finding a job is getting more difficult, which is counter to what you would expect in a world that is short on people. In fact, one-third of people think it is harder to find a hospital job than it was five years ago.

THE DIFFICULTY OF FINDING A JOB

Is it easier or harder to find a job than it was five years ago?

HARDER

- Non-Clinical Admin: 39.5%
- Clinical Admin: 39.0%
- C-Suite: 37.7%
- Staff Physician: 19.3%
- Staff Nurse: 17.1%

WHY CANDIDATES DROP OUT

What is the most frustrating part of the application process?

- Never hear back from the organization: 50%
- The whole process takes too long: 42%
- Organization websites are not helpful or too cumbersome: 37%
- Never know how you stack up versus other candidates: 33%
- Recruiter doesn’t know the job: 30%
- Job description being advertised is not the same as the actual job: 19%
- Other: 5%

It appears that hospitals are too often shooting themselves in the foot during the hiring process, and losing candidates that are finding opportunities more quickly. It is likely that hospitals that can optimize the hiring process and move quickly will have a significant advantage in a competitive marketplace for talent. Those who can’t adjust are likely to fall behind.

Speed and transparency are the top two frustrations with the hiring process as respondents cited never hearing back from the organization (50.6%) and that the process taking too long (46.1%) as primary concerns.
The reality is that slow hiring and onboarding processes are impacting decisions among candidates. More than 92 percent of people said that a slow hiring/onboarding process may change their mind about wanting to work for an organization. Yet, nearly 40 percent of respondents said that it took at least two months from the time they submit their resume to the time they received an offer. The application process has become something of a nightmare for both job applicants and hospital hiring teams. Online job postings have become a wasteland where a substantial percentage of resumes are neither qualified nor relevant to the job. The task left for hiring teams to find the “diamonds in the rough” can be overwhelming.

3.3 percent of the people surveyed have ever accepted a job they applied for through LinkedIn or another social media site, and fewer than 13 percent of people have ever accepted a job through an online job posting site like Monster or Indeed. Serious candidates are beginning to turn to other avenues when they apply, as only 2.5 percent of people, as an example, said they would turn to LinkedIn or another social media site when searching for the next position.

Even hospital websites are challenged to find traction. Only 7.4 percent of people said they would turn to hospital websites when they begin searching for their next job.

Staffing and recruiting firms have been the beneficiaries of candidates’ job search frustrations, as many candidates are looking to them for smoother, more transparent options for the search process. 38.3 percent of candidates said that they would turn to a search/recruiting firm when looking for the next job, the number one option for respondents.

“There’s a reason sites like Indeed, Monster and LinkedIn tout the number of postings and resumes that go through their site and not the number of hires that are made as a result.”
Hospitals have a big task in front of them. Turnover is a real problem. This shrinking labor pool is a serious issue, and the need to re-invent how people are hired is significant. But human capital issues are not specific only to hospitals. Other industries have ably dealt with the same issues. Maybe it’s time to learn something from the outside world. Google? Wegmans? Boston Consulting Group? Edward Jones? Baird? They are the top five companies to work for in 2017 according to Fortune magazine. All five are also people intensive, primarily service organizations.

STOPPING THE VICIOUS CYCLE

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Leaders For Today is a dynamic 14-year-old national health care interim and permanent staffing company headquartered in Wellesley, MA.