What is the Status Quo Costing You?

Strategies to reduce nurse attrition and labor cost

The Nurse Labor Shortage Has Reached a Critical Mass

Healthcare organizations are facing serious challenges, not least of which is nurse retention. Record levels of burnout are causing nurses to retire early, search for better jobs, or leave the profession altogether.

Instability in the nursing workforce has been on the rise over the past decade.[1] Turnover spiked during the COVID-19 pandemic and is expected to accelerate in the coming years unless steps are taken to address engagement and structural issues in the work environment.[2] As a result, hospitals and health systems are spending more and more money to achieve the coverage required to ensure quality care, patient safety, and regulatory compliance. In fact, agency costs for premium nurse labor increased 75% between 2022 and 2023[3] as healthcare organizations struggle to fill shifts.

Given these challenges, maintaining the status quo is no longer an option. Traditional approaches to addressing the nurse shortage are driving labor expenses up and operating margins down — a troubling trend that demands immediate action to ensure financial stability moving forward.
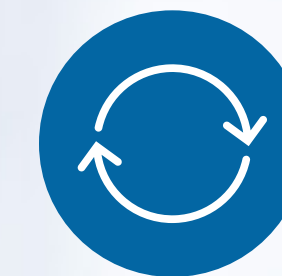
Contract nurse FTEs increased **180%** from 2019 to 2022.[4] | The average cost of turnover for a staff RN is **$52,350**.[5]

Top Nurse Workforce Management Challenges

Ever-increasing labor expenses

High turnover rates among nurses

Fewer nurses operating at the top of their license

Junior nurses entering the profession less prepared

Patient demand and acuity are outpacing hiring

Creative Approaches to Address Nursing Labor Challenges

What can your hospital or health system do to address these challenges? Many healthcare leaders are trying innovative approaches to fill staffing gaps and attract and retain nursing talent.

Innovation is key to addressing today's critical — and costly — nursing shortage.

7a–7p

Hours <=40

Total shifts <=10

Offer financial incentives such as higher wages, signing and referral bonuses, retention pay, and profit sharing

Establish a Central Staffing Office to fill vacancies, flex staff, and manage resources across the enterprise

Partner with nursing programs at colleges and universities to build a pipeline of talent as a long-term strategy

Invest in educational support to upskill existing staff and provide opportunities for nurses to learn and grow

Explore new models of care such as virtual nursing or AI/robots that offer flexibility and perform routine tasks to fill gaps

The Time for Change Is Now

Unfortunately, many of these solutions are falling short when it comes to addressing nurse turnover and labor costs. Why? Most provide only short-term, stop-gap fixes or longer-term strategies that may take years to make a sustainable impact.
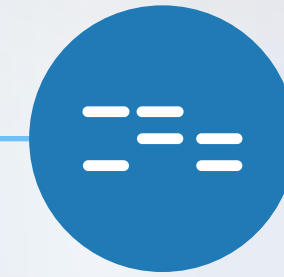
Current initiatives are not sufficiently addressing:

Growing pressure to rein in costs and improve margins

Stricter regulations around nurse/staff ratios

Immediate urgency to fill vacancies and shifts

Insufficient technology for optimizing current staff usage

According to the Health Management Academy, **developing financially sustainable recruitment and retention strategies is the top priority** among CNOs.[6]

# Strategies to Retain Nurses and Reduce Premium Labor Spend

Change can be difficult, but it's never been more necessary. Given the current nursing labor landscape, continuing down the current path — waiting to see if long-term measures will have a lasting impact — is financially unsustainable.

Healthcare organizations need to embrace practical strategies, backed by automated tools and intelligent technologies, to ensure proper staffing and keep nurses engaged and satisfied. Many of these strategies, if deployed well, will also save your nurse managers and schedulers significant time by streamlining workflows, automating rule enforcement, and sending real-time notifications to the right people at the right time. As a result, nurse managers will have more time to mentor their nurses, support their teams, and help with patient care.

Here are **six strategies** that will help your organization make headway in engaging and optimizing your internal nurse resources and reducing your premium labor spend.
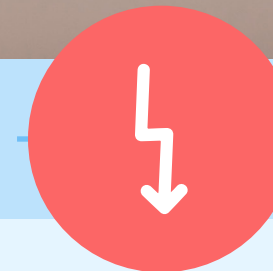
Nearly 50% of U.S. hospitals finished 2022 with **a negative margin as** growth in expenses outpaced revenue increases.[7]
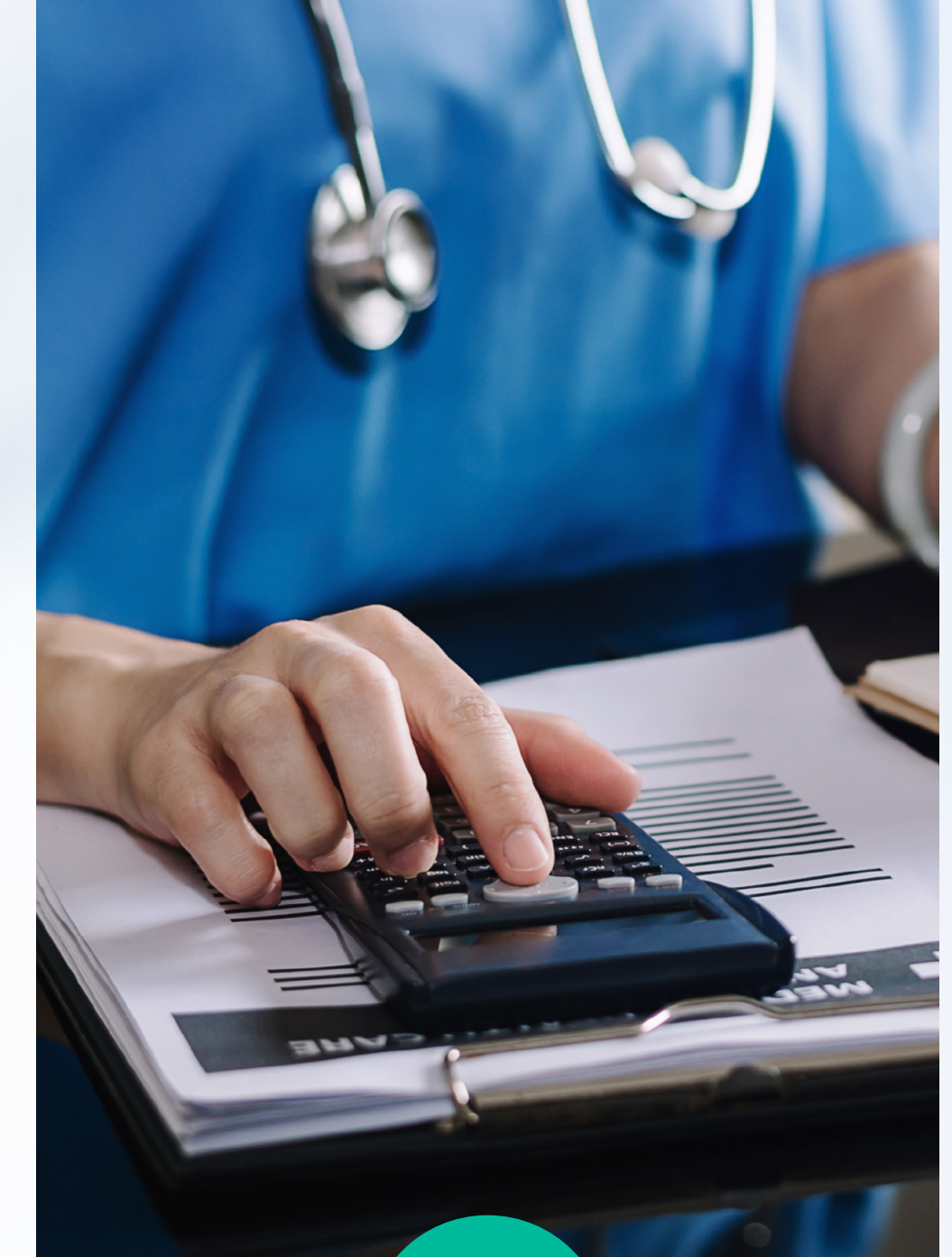
According to Kaufmann Hall, **hospitals that embrace better workforce management strategies** are likely to have **better financial results** moving forward.[8]

Fill Shifts Faster with the Right Resources

Most healthcare organizations not only struggle to gain visibility into staffing gaps, but they lack the tools and insights needed to fill those gaps quickly, thoughtfully, and strategically.

Once you build the initial schedule, lay down work patterns, and allow your nurses to self-schedule, you need a rigorous process for reviewing and filling open shifts. Try to fill shifts with the most cost-effective internal resources first, and then move on to more expensive options only when necessary. This strategy can be executed more effectively with the help of an automated scheduling system that takes into account nurse availability, skills, and preferences along with work targets, overtime status, and compliance rules.

39% of nurses said they would like to have a more flexible shift.[9]

1. Determine which nurses are available and have the necessary skills to work a given shift without exceeding their overtime threshold

2. Send a mobile notification to all nurses who meet those criteria to see if they will pick up the open shift

3. Make it an incentivized shift and send another mobile notification to qualified nurses

4. Identify floaters and other internal resources who are qualified to work and send them a mobile notification of the open shift

5. Contact part-time nurses and PRNs to determine if they can fill the open shift

6. Ascertain which nurses are qualified to work, even if the shift puts them into overtime, and send them a mobile notification

7. Leverage your agency and/or MSP/VMS provider to find external resources who can fill any remaining shifts

PRO TIP: Think beyond the traditional 8-, 10-, or 12-hour shift. Because today's nurses value work-life balance, consider splitting shifts and assigning them to two or three separate resources. This practice will give your nurses the flexibility they desire while reducing your reliance on overtime and premium labor.

Better Predict Workforce Demand

Predicting future workforce demand starts with tracking and analyzing historical data including:

- Forecasted demand based on past patient volumes

- Upcoming gaps based on scheduled PTO, vacations, and leaves

- Real-time coverage gaps accounting for census and acuity changes

Nurse managers look at this data multiple times a day to spot gaps and make in-the-moment decisions to fill open shifts in the most cost-effective way possible. However, ongoing analysis of historical data by department and location can also help inform long-term staffing decisions and hiring plans. For example, if trends show that you're consistently using 30% of a float pool or internal resource pool (IRP) to staff a night shift in the ICU, then you may want to consider hiring additional nurses for that unit. Ongoing data analysis and alignment can help you stay ahead of the supply and demand curve, enabling you to reduce nurse burnout and better control your labor spend.

60% of nurses say staff shortages are why they feel they don't have control over their careers.[10]

Increase Visibility into Labor Utilization

Nursing leaders need to understand the mix of internal vs. external labor in general — and even the mix of internal nurses working on their normal unit vs. floaters and IRP staff — by department and location. This visibility will enable you to identify anomalies in resource deployment and ensure that requests for premium labor are going through the proper channels and approval process.

It will also help you:

• Develop more informed hiring plans

• Control use of costly contract labor

• Identify opportunities to upskill current nursing staff to work shifts in hard-to-fill units

Better visibility into labor utilization will provide insight into your current state, so you can write an effective playbook for solving nurse staffing challenges without breaking the budget, hurting morale, or compromising quality of care.

Travel nurses made on average $1,673 per week pre-pandemic.

Now many earn more than $4,000 per week.[11]

Track All Nurse Resources System-Wide

The days when nurses work on the same unit at the same location 100% of the time may be coming to an end. The labor shortage is forcing more hospitals and health systems to adopt a centralized, enterprise-wide approach that fully leverages nurse resources across the organization. This model requires a centralized view of all resources — including their skills, preferences, work targets, and where, when, and how they've worked — at the regional, facility, and service line levels. This holistic view helps your nurse managers and schedulers understand who can be deployed, when, and where to guide forward-looking scheduling.

Having a simple, seamless way to manage intraday movement is equally important. Nurse managers are likely looking at census and acuity data up to four times a day — or perhaps even more frequently — as shifts change. Gaining a system-wide view of nurse resources simply isn't possible using manual methods; it requires centralized technology that tracks the following in real time:

All available nurse resources and their skills, preferences, hours worked, and work target status

Overstaffed and understaffed units that require staffing adjustments

The best available nurses prioritized by who can fill a shift without crossing into overtime/premium pay

Once schedule changes are made, sending nurses real-time mobile notifications of their reassignments will give them as much advance notice as possible to make needed arrangements–whether it's traveling to another work location or planning child, elder, or pet care.

Manual and disparate systems for nurse scheduling and managing float pools **fail to provide the centralized visibility** hospitals and health systems need to **optimize resources.**
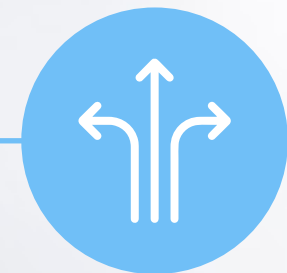
Take a Mobile-First Approach to Nurse Scheduling

Nurses want more control over their schedules to achieve better work-life balance, and they expect their employers to offer intuitive mobile technology to make it happen. With a mobile-first scheduling solution, nurses gain greater autonomy with the ability to self-schedule and self-serve — anytime, anywhere — all from the convenience of their mobile device.

Mobile-first scheduling technology enables nurses to:
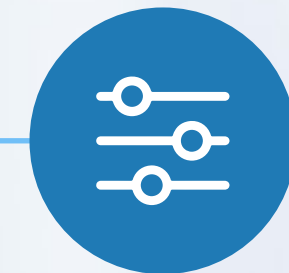
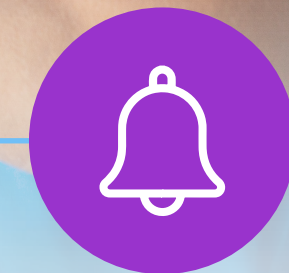| View schedules to see where and when they're working | Self-schedule for greater flexibility | Submit PTO requests and swap shifts | Sign up for extra shifts or partial shifts | Update preferences and availability | Understand work target status | Receive real-time notifications of open shifts and sign up instantly |

58% of nurses say they wanted a better work-life balance.[12]

Use Time and Attendance Management Purpose-Built for Healthcare

Not all time and attendance systems are designed to handle the inherent complexities of nurse and staff scheduling. Nurse managers need functionality that goes beyond basic timekeeping, aligning with the schedule in real-time to streamline administrative work, control labor costs, reduce overtime and burnout, and improve nurse satisfaction.
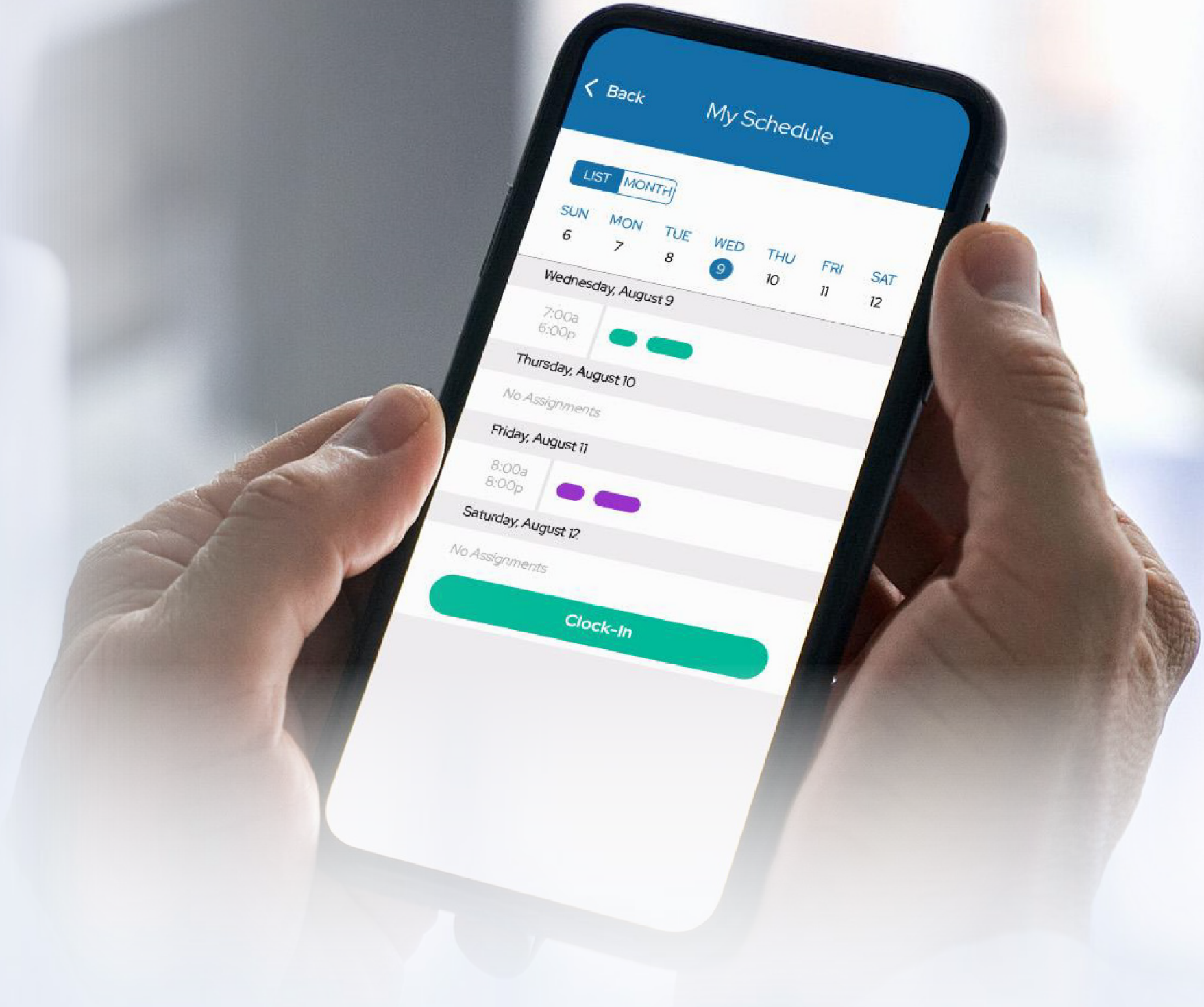
What to look for in a nurse time and attendance system:

Real-time alignment of data	Overtime mitigation	Shift pay rule configuration	Integration with payroll	Time-punch additions	Mobile access	Robust reporting
Ensure time tracked aligns to the schedule to eliminate double-entry and minimize human error	Use configurable, personalized overtime rules and alerts to fill shift gaps cost-effectively	Automatically apply shift pay rules, based on the schedule, so nurses receive appropriate pay for time worked	Integrate time and compensation data into payroll applications for more efficient workflows and fewer errors	Add time punches for meetings and other work that is compensated on top of regular pay	Empower nurse managers to access and manage time from anywhere, anytime	Understand overtime, call-offs, and actual vs. scheduled time for better labor budget management

Getting Started:
Assess Your Current Performance

Ready to move beyond the status quo, but not sure where to start? Assess your current performance to determine where there's room for improvement when it comes to nurse retention, resource optimization, and labor cost control. This assessment will guide you in taking strategic action to drive change and achieve measurable results.

Identify what you're spending on premium labor annually and assess if it's trending upward or downward.

Evaluate whether you have seamless, real-time visibility into future open shifts and a strategic process for filling those shifts and making intra-day adjustments as census, acuity, and schedules change.

Understand your current retention/ attrition numbers and how they're trending. Outline what you're doing to improve these metrics.

Analyze if you have the right workforce planning tools in place to understand future supply and demand and guide staffing decisions that balance labor costs and nurse satisfaction.

QGenda Advanced Scheduling for Nurses and Staff

The most effective nurse retention and labor cost management strategies are backed by best-in-class technology. QGenda Advanced Scheduling for Nurses and Staff is a mobile-first solution that makes it easier to deploy and manage today's nursing workforce. Purpose-built for healthcare, the solution provides intelligent automation and intuitive tools to take the complexity out of schedule creation and management. Furthermore, our nurse and staff scheduling solution is part of a single, unified platform that includes provider scheduling, time and attendance, compensation management, and workforce analytics applications for complete, end-to-end healthcare workforce management.

For more information about how QGenda Advanced Scheduling for Nurses and Staff can help your healthcare organization reduce nurse turnover and labor spend, please visit qgenda.com.

Drive nurse engagement

Empower nurses with self-scheduling and self-serve convenience via a mobile app

Make it easy for nurses to view schedules, update preferences, and request or swap shifts

Send real-time notifications to support flexible schedules

Reduce nurse manager workload

Streamline schedule creation and management with work pattern automation and robust self-scheduling

Seamlessly float staff between departments and locations

Configure overtime and premium pay rules to ensure payroll accuracy and equitable schedules

Make data-driven work planning decisions

Gain longitudinal insights around staffing targets, labor costs, and staff coverage to guide deployment decisions

Analyze current and historical demand data and identify staffing trends

Uncover chronic understaffing, floating, and premium usage to inform hiring decisions

About QGenda

QGenda revolutionizes healthcare workforce management everywhere care is delivered. QGenda ProviderCloud, a purpose-built healthcare platform that empowers customers to effectively deploy workforce resources, includes solutions for scheduling, credentialing, on-call scheduling, room and capacity management, time tracking, compensation management, and workforce analytics.

More than 4,500 organizations partner with QGenda to advance provider scheduling, optimize capacity, and improve access to care. QGenda is headquartered in Atlanta, Georgia, with a second office in Baltimore, Maryland.

Learn more at **www.QGenda.com**

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6   *The Health Management Academy, CNO &CRO Forum Debrief, November 2022.*

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8   *Ibid.*

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10 *Ibid.*

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