A nurse leader's planning guide:

Streamline new nurse onboarding with a centralized approach

Unify all aspects of nurse recruitment, hiring, and retention to reduce turnover and save costs

As every nurse leader knows, today's nursing shortage represents a challenge that affects every aspect of how a hospital operates and the care it delivers.
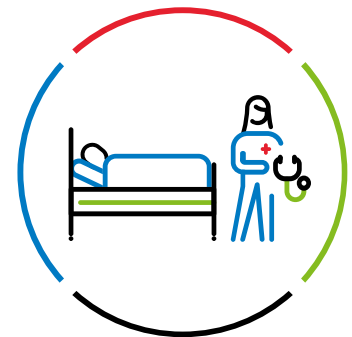
The Bureau of Labor Statistics projects a need for more than 1 million new nurses by 2028. High turnover rates in nursing, often exceeding 15%, contribute to instability and compromise patient care.

But research shows that inadequate nurse staffing levels are also associated with increased mortality rates, longer hospital stays, and higher rates of adverse events,

highlighting the critical importance of meeting staffing challenges in new and creative ways.

These challenges are only compounded by the difficulties in retaining staff once they're hired. New nurses, in particular, are difficult to keep. Steep learning curves, heavy workloads, long hours, and a feeling of being overwhelmed make the transition from education to practice difficult, increasing the likelihood of turnover.

In fact, the novice-nurse turnover rate is around 83% in nurses' first year.[1]

1 million new nurses by 2028, according to the Bureau of Labor Statistics.

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How the centralized model works

In a centralized model, the organization creates a dedicated, centralized unit, often headed by a chief learning officer (CLO).

The CLO is in charge of building and sustaining the new hiring model in partnership with human resources. The role may also report to the chief nursing officer.

Based on the size of the organization, there may be a need for additional resources, including a dedicated nurse manager. Ancillary resources, too, get identified, including necessary analytics support.

The benefits of a centralized model

The efficient and cost-effective management of today's high novice-nurse turnover rate requires a proactive approach. Organizational leadership must acknowledge that turnover is a fact of life in today's resource-constrained, highly competitive environment and should consider adopting a predictive hiring model to continually fill vacancies and onboard a steady stream of new nursing graduates.

The always-on centralized model has emerged as an option to unify all aspects of nurse recruitment, hiring, and retention into a single process. The centralized model does not necessarily react to vacancies but, rather, has a dedicated department to handle hiring and onboarding on a rolling basis. This approach is also grounded in a predictive model that gives nurse leaders the analytical argument they need to ensure safe staffing levels despite the ongoing nursing shortage.

Centralizing the process creates an opportunity to be more proactive. A centralized process for new-graduate hiring directly addresses novice-nurse job satisfaction and burnout as a way to deal head-on with the revolving door. Such a process also streamlines onboarding procedures, saves money, prevents patient errors, and takes a significant burden off nurse managers.

Making the case

Starting with a solid strategy is integral to success by establishing quantifiable goals to eliminate cost and waste. Ultimately, a solid strategy is the best way to convince skeptical executive management to adopt what might otherwise appear to be an overhiring strategy.

Showing the dollars currently spent on premium pay due to lack of standard processes and quantifying both reduced costs and improved efficiency constitute the best ways of defending predictive hiring for reducing novice-nurse turnover.

3 steps for getting started:

STEP 1	STEP 2	STEP 3

Assess the current state

- ⊘ Does your organization take longer than it should when hiring and orienting novice nurses?
- ⊘ Are you using predictive analytics to guide your recruitment and onboarding programs?
- ⊘ Does your current onboarding process reduce downstream disruption, and does the process control costs?
- ⊘ When you must temporarily replace a nurse, how much does it cost in overtime? In internal float pools? In travel nurses?
- ⊘ How heavily does the administrative novice-nurse onboarding process burden your nurse managers?
- ⊘ Can you trace onboarding improvements to higher preceptor satisfaction, thereby helping prevent preceptor burnout?
- ⊘ Has turnover negatively affected your nursing-sensitive indicators or patient outcomes?

STEP 1	STEP 2	STEP 3

Calculate baseline numbers

- ⊙ The novice-nurse hiring process lasts from four to six months.
- ⊙ During lengthy nurse vacancies, a healthcare organization must rely on a nurse float pool, staff overtime, or travel nurses—all of them at premium pay rates.
- ⊙ The turnover rate of one staff RN averages 18.4% nationally, with the cost ranging from $45,100 to $67,500. The average cost of turnover was $56,300 in 2023 and is up from the 2022 average, which was $52,350.[2]
- ⊙ Each 1% change in nurse turnover is estimated to cost—or save—the average hospital $262,500 per year[3]
- ⊙ For every 20 agency nurses eliminated, a hospital can save more than an estimated $3.1 million annually.

STEP 1	STEP 2	STEP 3

Make the case for centralization based on historical data

- ⊙ Leverage your baseline historical data.
- ⊙ Based on the data, undertake a predictive analysis based on the average attrition rate for the number of nurses leaving each month. Such data is useful to support the funding of your proposal and the design of the orientation program. The baseline should also include the cost per hire.

How to calculate your hospital's attrition rate:

To calculate your hospital's average attrition rate, divide the average number of departures in a given period (typically, 12 months) by the average number of employees in that period, and then multiply by 100.

$$\frac{\text{Average number of departures}}{\text{Average number of employees}} \times 100$$

How to calculate your cost per hire:

To calculate cost per hire, take the total number of external and internal recruiting costs and divide it by the total number of hires in a given time frame.

$$\frac{\text{Total number of external and internal recruiting costs}}{\text{Total number of hires}}$$

The benefits: Standardization helps onboard and retain

A centralized onboarding process is efficient and economical. Standardized processes, forms, and resources cut costs and save time in training novice-nurse hires.

The use of a comprehensive, clinical information infrastructure solution that includes nursing procedures, clinical decision support, and professional development resources ensures nurses have the tools needed to provide safe and effective care and to optimize patient outcomes.

Lippincott® Solutions helps you empower nurses by delivering evidence-based content that enables nurses to deliver consistent, high-quality care. Lippincott Solutions delivers a single, evidence-based resource that helps improve nurse competency, confidence, and career satisfaction.

Learn how Lippincott Solutions can help strengthen your workforce, advance your clinical culture, and achieve your key performance objectives.

Build a new nurse safety net and improve transition to practice and retention.

Download the full white paper and take a proactive approach to orienting nurses via onboarding programs that help develop competence and confidence, improve patient safety and outcomes, and increase retention rates among new nurses.

[Download the full white paper]

References

[1] Jeff Doucette. 2022. "How to reduce nurse turnover in first-year nurses." Press Ganey. https://info.pressganey.com/press-ganey-blog-healthcare-experience-insights/caregiver-crisis-creating-a-sense-of-belonging-the-secret-weapon-for-reducing-first-year-nursing-turnover-2

[2] NSI Nursing Solutions, Inc, 2024 NSI National Health Care Retention & RN Staffing Report, https://www.nsinursingsolutions.com/Documents/Library/NSI_National_Health_Care_Retention_Report.pdf

[3] NSI Nursing Solutions, Inc, 2024 NSI National Health Care Retention & RN Staffing Report, https://www.nsinursingsolutions.com/Documents/Library/NSI_National_Health_Care_Retention_Report.pdf

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