

# Improving Financial Outcomes with High-Performing Charge Nurses

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THE COMPLEXITY OF THE ACUTE CARE setting has changed dramatically in recent years. With innovative treatments, technological advancements and new laws surfacing with increasing regularity, the demands on today's charge nurses reflect a rapidly evolving healthcare climate. As the frontline leaders on the hospital unit, the performance of charge nurses makes a tremendous impact on the hospital's success in terms of financial outcomes.

It's clear that the job responsibilities of a charge nurse have expanded significantly in scope and complexity. Yet, many healthcare organizations have failed to legitimize the role with a definitive job

description and competency requirements. Consequently, charge nurses are often thrown into the fray, with no formal training to prepare them for the complicated situations they face every day on the job. The negative effect this can have on quality of care and the satisfaction of physicians, patients and other nurses is potentially devastating to a hospital's finances. Providing hands-on education to charge nurses—in effect, arming them with the necessary tools to deal with the new complexities of their job—is crucial to managing a successful hospital and attaining critical goals.

The situation facing healthcare executives is challenging. Current economics and the rising cost of care delivery require a maximum return on investment for every budget dollar spent on staff development. The reality is that traditional classroom methods are of limited use in producing the learning environment that fosters true leadership development for charge nurses. Fortunately, an alternative exists: a new coaching model can transform charge nurses into high performers who produce quality outcomes that enhance a hospital's financial picture.

## Effective Charge Nurses Deliver Stability

On a fast-paced hospital unit, effective charge nurses make the difference between stability and chaos. To be effective, charge nurses must be high performers, equipped with leadership skills to manage the complicated demands of their work environment.

Successful units led by high-performing charge nurses are characterized by these three hallmarks:

**1. Improved clinical outcomes.** Studies have shown that providing on-the-job leadership development to charge nurses today prevents negative clinical outcomes in the future—which translates into significant cost savings for the hospital. For example, according to a recent study of a Clinical Mentor Pilot Program<sup>1</sup>, a substantial improvement of clinical outcomes was identified after implementation of a clinical mentorship program for nursing staff. The study revealed significant reductions in patient falls (20 percent), hospital-acquired pressure ulcers (38 percent), failure to rescue (47 percent) and length of stay (7 percent). *The economic impact of complication avoidance was a savings of more than \$2.8 million.*

## B. E. Smith's Approach to Charge Nurse Leadership Development

B. E. Smith's experience indicates that learning is best achieved with consistent oversight by a tenured coach in the organization's workplace environment. This differs drastically from traditional methods, which are more episodic in nature. Our unique model is dedicated to experiential learning with real-time feedback and role modeling on a continuous basis, focusing on core leadership processes and a customized curriculum designed to improve charge nurse performance.

Each of B. E. Smith's nurse executives has more than 20 years of real-world experience personally managing nursing departments and overseeing the leaders who supervise those departments. These coaches have developed countless charge nurses in their careers and serve as role models for leadership behaviors on the job, in the learners' current facilities.

The coach will first perform a customized assessment to identify issues that need to be addressed. Then, he or she will develop a core curriculum tailored to the hospital's specific needs. Finally, time will be spent teaching, coaching, advising and evaluating the charge nurse staff. The coaching experience takes place in one-on-one situations encountered directly on the nursing unit. A typical program will last anywhere from three to four months, with the nurse executive coach on site daily.

Individualized development plans are crafted for each participant. Nurses are coached individually as situations develop on the unit. Each nurse is evaluated at the end of the engagement, with process outcomes resulting from improved charge nurse performance measured to gauge progress.

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**2. Less staff turnover.** A stable environment with solid nursing leadership fosters improved morale and job performance among nurses, with less burnout, fewer call-ins and reduced turnover. The cost of high turnover alone is significant enough to justify investing in charge nurse development. For example, a recent article estimates that for a 350-bed community hospital providing leadership development to 25 nurses using a conservative approach with modest outcome goals, the return on investment would be almost \$9.00 for each dollar invested in the program, or nine times the amount actually invested.<sup>2</sup> Other experts agree—in fact, in a 2006 article examining a coaching program that was administered to 64 clinical nursing leaders in a healthcare system, McNally and Lukens stated that, “it could be viewed that the cost of the coaching program would be budget neutral if only one director was retained as a result of coaching.”<sup>3</sup>

**3. Heightened patient, employee and physician satisfaction.** Successful units with high-performing charge nurses function smoothly, allowing the entire staff to concentrate on providing the best patient care. Since charge nurses serve as the frontline leaders on the unit, they’re in a position to make—or break—patient and physician satisfaction, which in turn impacts referral rates. A charge nurse’s communication and organizational skills are critical to stability, ensuring cooperation among all caregivers on a unit and smooth transitions between nursing shifts. The higher physician and patient satisfaction this brings leads to a better reputation in the community, which enhances the hospital’s ability to recruit and retain talented nursing leadership.

Another factor to consider is that evidence-based initiatives proven to improve the quality of care at bedside—such as Institute for Healthcare Improvement (IHI) initiatives and other life-saving interventions—cannot be effectively implemented without leadership at the clinical level. Effective

## Coach or Mentor?

The relationship between a student and mentor usually is geared toward personal development. While mentoring can be an effective method for improving one’s skills, the primary difference between coaching and mentoring is the goal of a coach, which is to achieve specific, measurable outcomes. In short, coaches exist to produce measurable results. This is why the best charge nurse leadership development involves using a professional, expert coach—the goal of coaching is based on a performance measure, with a specific outcome for which the coach and participating nurses are held personally accountable. The structure of a coaching relationship is formalized, with a focus on organizational goals, although participants also benefit from personal development as they enhance their leadership skills.

charge nurses are essential to implementing patient safety protocols, which are significant in terms of lives saved. For example, in June 2006, IHI reported that more than 122,000 patient lives were saved in the previous 18 months using its intervention strategies. Similar to effective complication avoidance, successful intervention strategies have a substantial impact on cost savings.

## The Coaching Model: Learning by Example

A professional coaching model used within the workplace delivers the optimal development experience to charge nurses. The most effective transfer of knowledge takes place in a real-world setting. Charge nurses may have attended a class or seminar on leadership skills, but they often require additional help to transfer their new knowledge to the everyday work environment.

<sup>1</sup>Burritt J, Steckel C, Wallace P, Hunter A. Achieving quality and fiscal outcomes in patient care: Clinical Mentor Care Delivery Model. *Journal of Nursing Administration*. 2007; 37(12): 558-563.

<sup>2</sup>Sherman R. Don’t Forget Our Charge Nurses. *Nursing Economics*. May-June 2005; 23(3): 125-143.

<sup>3</sup>McNally K, Lukens R. Leadership Development: An external-internal coaching partnership. *Journal of Nursing Administration*. 2006; 36(3): 155-161.

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Experts recommend an interactive, experiential model for charge nurse education:

- › **Use seasoned nurse executives.** Seasoned nurse executives specifically trained in coaching methodologies are brought into the hospital to work alongside charge nurses, using everyday unit work processes to achieve desired outcomes. These coaches create learning experiences for participants and provide immediate performance feedback.
- › **Customize to the hospital.** The best training is customized to meet the unique needs of the organization, with a curriculum specifically designed to address current initiatives and areas that need improvement. Immediate issues are the primary focus, and time isn't wasted on training in areas where the organization is already proficient.
- › **Customize to the participant.** The program is adjusted to match the experience level and skills of the participating charge nurses, which are determined individually based on a detailed assessment of each nurse. Specific development plans are created for each participant. Progress is monitored and recommendations are made based on findings.

The importance of providing charge nurses with the opportunity to work and learn alongside an experienced nurse executive cannot be overstated. The one-on-one guidance it provides is invaluable: the charge nurse learns by example, while the coach provides immediate feedback that helps the nurse achieve the desired outcome.

Selecting the right coach is critical to the success of any hospital's charge nurse development program. The role of chief nursing officer has greatly expanded in recent years, leaving them with little time to mentor less experienced staff. Professional coaches provide breadth of experience and exposure to multiple settings while remaining focused on the task at hand, since coaching is their sole responsibility.

Charge nurses who have received expert coaching have greater potential to become better coaches themselves. They serve as an effective role model for others, since they are better equipped to help the entire nursing staff on the unit improve their leadership skills and clinical outcomes.

## Tomorrow's Success Depends on Today's Investment

In today's complex healthcare environment, fully competent, effective charge nurses are critical to a hospital's success. Well-trained charge nurses are prepared to excel at their jobs with leadership skills that improve teamwork on units and have a positive, lasting impact on the organization. Investing in charge nurses today will pay for itself in terms of complication avoidance, positive patient outcomes, quality of care, staff retention, future stability and, ultimately, the fiscal health of the organization.

## About the authors

**Patricia Burns, RN, MSN,** brings more than 25 years of progressive clinical and operational leadership experience as a vice president of consulting solutions at B. E. Smith. She has served as a CEO, COO, CNO and VP of patient care services at various healthcare organizations during her career. Patricia is a member of the American Organization of Nurse Executives.

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## About B. E. Smith

B. E. Smith is a full-service leadership solutions firm for healthcare providers. B. E. Smith's comprehensive suite of services includes interim leadership, permanent executive placements and consulting solutions for urgent leadership, financial and operational challenges. The company is comprised of veteran healthcare leaders who partner with each client to create a solution that uniquely fits their individual needs.

To learn more about B. E. Smith's charge nurse leadership development solutions, visit [www.besmith.com](http://www.besmith.com) or call 877-802-4593 to arrange a personal consultation.

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