Pursuing Magnet Designation

Nursing Excellence Retains Nurses and Communicates Quality to Patients
As an aging population and an aggressive rise in chronic diseases create an increasing demand for medical services, healthcare organizations are confronting an alarming reality: Many will soon have too few nurses to care for their patients. By 2012, hospitals’ demand for nurses will exceed the available labor pool by 36 percent. At the same time, the existing nurse workforce is aging, with 40 percent predicted to be over age 50 by 2010 — and ready to retire if hospitals aren’t willing to offer shifts with fewer physical demands in exchange for retaining veteran nurses with extensive experience. The net result: By 2020, the RN shortfall in the U.S. will reach 1 million FTEs.

Not only will recruiting new nurses become intensely competitive, but a hospital that fails to retain its nurse workforce could jeopardize its financial goals. In general, studies estimate that the cost to a hospital of recruiting a new nurse is between three-quarters and two times a veteran nurse’s salary after factoring in advertising, interviewing, lost productivity, overtime, and temporary labor, according to the American Nurses Association. Replacing nurses could easily run into the millions of dollars for a large institution with an annual nurse turnover of 8.4 percent, the average rate reported by PricewaterhouseCoopers’ Health Research Institute in 2007.

Constant turnover and the loss of experienced nurses also negatively affect patient care. “Experienced and tenured nurses impact positive patient care outcomes and enrich the learning of new nurses,” says Gaye Timiney, RN, senior healthcare consultant at Kronos. Staffing with a greater number of registered nurses is associated with a decreased risk of hospital-related deaths, cardiac arrests, hospital-acquired pneumonia, and other adverse events, as well as shorter lengths of stay, according to a 2007 report by the Agency for Healthcare Research and Quality.

**Forces of Magnetism Ease Nursing Shortages**

By deliberately building a culture of exemplary nursing practice, however, healthcare organizations have been able to retain the nurses they already have and enjoy a competitive advantage in recruiting new nurses. Although most hospitals claim they support their nurses by maintaining a positive work environment, those that are part of the American Nurses Credentialing Center’s prestigious Magnet Recognition Program® have demonstrated with hard evidence that they advocate innovation in nursing and value their nurses’ contributions.

The Magnet hallmark of excellence has its roots in the nursing shortages of the 1970s and 1980s, which prompted the American Academy of Nursing in 1983 to study 163 hospitals and identify the attributes of a work environment that attract and retain nurses — traits that eventually became known as the 14 Forces of Magnetism. Since then, approximately 6 percent of U.S. healthcare organizations have received the elite Magnet designation, and many rank among the nation’s best hospitals. Eleven out of the 19 Honor Roll hospitals in *U.S. News & World Report*’s list of best hospitals in 2008 were Magnet facilities, for example, as were 7 of the 14 healthcare organizations on *Fortune* magazine’s 100 best companies list in 2009.

**Marketing Magnet Benefits to Nurses and Patients**

Backed by a growing body of research showing that Magnet hospitals are first-rate — both as places to work and in delivery of care — healthcare organizations are actively marketing their Magnet status to nurses, physicians, and patients. Nurses who work in Magnet hospitals, for example, have lower rates of burnout, report better collaboration with physicians and their nurse colleagues, and have greater job satisfaction. The reasons nurses cite for valuing their jobs at Magnet institutions include having professional development opportunities, being recognized for their accomplishments, having a voice and influence in workplace decisions, and being able to provide outstanding patient care. Conversely, according to a survey published in the *Journal of Nursing Administration* in 2007, nurses working in hospitals that aren’t pursuing Magnet designation that they planned to leave their current positions within three years and were less likely to recommend nursing as a career. Their primary dissatisfaction: few opportunities for professional development and advancement and little influence over decisions that affect the practice of nursing.
Nursing Excellence Retains Nurses and Communicates Quality to Patients

To be awarded Magnet status, a healthcare organization’s nursing department must undergo a lengthy and thorough qualitative and quantitative review process by the ANCC to prove that it has achieved the 14 Forces of Magnetism. Recently the ANCC reconfigured the Forces into five model components to reflect a greater focus on measuring outcomes and to streamline the documentation process for healthcare organizations.

The Kronos for Healthcare solution can assist organizations in their quest to become Magnet hospitals by providing the insightful labor productivity information that leads to a superior work environment. With automated tools to create optimal staffing levels, healthcare organizations can reduce their nurses’ job stress, provide for greater work/life balance, and foster the fair personnel policies that attract and retain quality employees. And a hospital that uses a guided analytics approach to manage its workforce productivity and labor costs gives nurses the confidence that staffing decisions are made objectively and in the best interests of patient care.

The following are among the multiple Forces of Magnetism that Kronos for Healthcare solutions can support:

**Personnel policies and programs**

To pursue Magnet status, institutions must prove that they have creative and flexible staffing models that support a safe and healthy work environment and ensure delivery of quality care. ANCC reviewers want to know: How is staffing adjusted to accommodate fluctuating patient volume and acuity? And how do budget variances affect scheduling practices?

Workforce Scheduler™, one of the tools in the Kronos for Healthcare solution suite, allows an organization to bring in a variety of information, including census and acuity, to calculate workload for appropriate staffing. These metrics give managers the ability to quickly respond to constantly changing staffing requirements. Workforce Scheduler automatically creates an optimized shift-based schedule from the workload defined. Using the call list and assignment tools, nurse managers are also able to quickly fill open shifts due to call-ins, transfers, sick days, and vacations with the best-qualified nurses for that unit. Nurses deliver better quality of care, have less job stress, and work less overtime when an institution can consistently deploy the appropriate ratio of nurses with the optimal skills for each shift.

The scheduling software also helps hospitals administer policies and procedures properly by alerting nurse managers when a schedule deviates from a safe practice policy that permits sufficient rest periods between shifts, for example. A hospital that fosters fair and consistent workforce policies has more satisfied employees and is better able to retain its nurses.

Hospitals applying for Magnet designation must also prove that they are in compliance with all federal laws and regulations. Kronos’ Workforce HR™ automates and streamlines the data reporting, which helps ensure that hospitals remain up to date on compliance requirements.

**Management style**

Instead of an authoritarian, top-down approach to nursing, Magnet hospitals are expected to involve their nursing staff in the management of the department, including initiating changes to improve patient care, nursing practice, and the work environment. One key attribute of Magnet hospitals: open channels of communication at all levels of nursing.

Among the job characteristics that nurses most value are schedules that provide a good balance between work and personal life, according to PricewaterhouseCoopers Health Research Institute. A self-service feature on Workforce Scheduler gives nurses autonomy and control over their schedules by letting them specify their preferences for the shifts they want to work and on which units. Staff can also log on to the web-based scheduler to request time off, swap shifts, sign up for open shifts, or change their work preferences. The priority scheduling engine then makes assignments based on those preferences and requests. “By creating their preferred schedules from home, nurses can have work/life balance and the opportunity to apply for other open shifts if desired,” says Timiney. Nurses can also check their timecards online and immediately notify a nurse manager if they spot an error in the number of hours they’ve worked, eliminating the need to wait for an adjusted paycheck.
Nurses' requests for time off are more easily accommodated, since the system has the flexibility and power to find an appropriate replacement, even at the last minute. Workforce Scheduler instantly generates a list of nurses who are qualified and available to cover that vacancy and will call or text-message individuals until the position is filled. And nurses who request extra shifts or overtime have the assurance that the system is making assignments on a fair rotational basis.

Quality of nursing leadership

A Magnet facility has strong nurse leaders who advocate for patients and their staff and who are successful at securing adequate fiscal and human resources to support nursing practice. To demonstrate that commitment, ANCC asks for evidence that nurse leaders are making data-driven decisions when they formulate and monitor their budgets.

No nurse leader is immune to the stresses of trying to balance quality of care with the cost of providing it. Workforce Analytics™ for Healthcare, however, removes the stress of uncertainty by giving managers the information they need to make the best possible staffing decisions. The labor cost management system guides managers by directing their attention to problem areas, indicating the nature of the problem and suggesting appropriate corrective steps. “Analytics provides real-time information to nurse managers on how well they are allocating their nursing resources and whether they are hiring the nurses with the right skills for the facility’s needs,” says Susan Reese, RN, senior healthcare consultant at Kronos.

The guided analytics program also frees nurse leaders from lobbying for additional staff and having to rely on subjective judgments by hospital administrators in approving or denying the requests. Using values that were developed by consensus among nursing and financial leaders, Workforce Analytics for Healthcare will prompt a hiring decision when productivity falls below a preset level. “Now everyone is on a level playing field, and the CNO has objective data, such as recurring staffing patterns and problems, to substantiate the need for more staff,” says Reese. “Knowing that you will get the people you need when you want them is very rewarding to the entire nursing department.”

Professional development

Magnet hospitals are expected to go beyond the minimum requirements set by the Joint Commission on Accreditation of Healthcare Organizations to train new staff and provide opportunities for all nurses to attend continuing education programs. To show that the organization values and supports the professional growth and development of its staff, Workforce Scheduler tracks staff attendance and meeting time and orientation hours, facilitating uniform training standards. The program also analyzes the impact training sessions have on productivity and labor costs so managers can schedule training at optimal times. In addition, it allows managers to plan for the temporary replacements needed to cover for staff members attending necessary meetings.

By providing nurse managers with instant access to nurses’ skills, certifications, education, credentials, competencies, and other designations, Workforce Scheduler helps them schedule the most qualified nurses for each shift and make appropriate staffing decisions. Nurses who trust that their colleagues will have the right skills and experience enjoy greater collaboration and teamwork.

Conducting timely performance reviews and setting professional goals that are mutually agreed upon by managers and employees are crucial to nurses’ job performance.
Nursing Excellence Retains Nurses and Communicates Quality to Patients

satisfaction and potential for advancement. Workforce HR reminds managers when to schedule employees’ reviews and provides an online template for managers and employees to set performance goals. Managers can use the automated system to update nurses’ progress during the year so they will have continuous feedback about expectations and their performance, which can boost morale and feelings of job security. Having well-defined professional goals also helps nurses advance in the organization.

Hospitals aspiring to become Magnet facilities must demonstrate that 75 percent of their nurse managers have obtained a BSN degree by 2011. Workforce HR tracks nurses’ education and certifications so administrators can plan steps to meet that requirement.

Encouraging nurses to mentor and share their expertise with other nurses in the department is a hallmark of Magnet facilities. In the fast-paced environment of nursing, nurse managers often make workforce decisions quickly and later can’t reconstruct their rationale for those decisions. Consequently, it’s difficult for supervisors to counsel newer nurse managers on how to improve their performance when the details that led to specific actions are lost. Workforce Analytics for Healthcare, however, allows managers to record their reasons for making staffing decisions that run counter to the program’s assumptions at the time the variance occurs. Supervisors can then review the documented decisions and provide coaching to shape the performance of their managers.

Organizational structure
An organizational structure that is dynamic and responsive to change is another trait of Magnet-worthy organizations.

Nursing leaders who have the information to manage staff resources to budgets on a daily basis can quickly adjust staffing if volume or census should change. With Kronos’ Workforce Analytics for Healthcare pinpointing variances between labor costs and productivity, managers understand the difference between labor hours and the costs of specific labor talent. The benefits to direct-care nurses are a more stable work environment and confidence that they are delivering quality care.

Excellence in organizational structure is also demonstrated by a functioning and productive system of shared decision-making. Workforce Scheduler allows bedside nurses to participate in scheduling decisions by giving them the option to choose the shifts they want to work. Organizations that base all their labor decisions on a shared set of metrics have a highly productive method of managing labor costs. The single largest expense in healthcare organizations today, labor costs often represent 45 percent or more of net patient revenue. And, while nursing represents the largest share of those costs — 60 percent — Kronos for Healthcare solutions can be used enterprise-wide to manage the labor costs and productivity of the remaining 40 percent of a facility’s hourly workforce. An institution that holds all managers accountable to productivity and cost targets communicates to its nurses that it is applying an equitable standard across all departments instead of singling out nursing for cost containment.
Quality of care

Optimal patient care occurs when organizations deploy the right nurses at the right time to the right units. Workforce Scheduler allows managers to provide adequate coverage at all times and to quickly fill open shifts. And by displaying relevant employee demographics, the tool assists managers in choosing the right employees for shifts that require additional expertise in the form of advanced degrees or certifications.

The scheduling software also informs managers when a schedule rule has been violated or an overtime rule has been exceeded — such as assigning nurses to work excessive shifts, which could compromise patient safety — so that they can immediately adjust staffing levels. With on-demand staffing variance analysis, Kronos for Healthcare improves visibility and makes decision-making actionable and measurable, providing short-term and long-term analysis scheduling practices. And organizations that can better plan their staffing needs can reduce their dependence on agency staff.

Organizations applying for Magnet designation must provide evidence of educational activities that staff members have participated in throughout the year. By tracking skills, certifications, education levels, credentials, and competencies, including expiration dates, the hospital and employees can meet compliance regulations. HR identifies when employees’ licenses are due to expire and will alert managers. Employees whose licenses have expired will be noted on the schedule.

Managers can track educational activities and committee work through schedule codes and through analytics by pulling earning code-specific data. By tracking the overtime hours of nurses who attend educational programs, Workforce Scheduler gives chief nursing officers the documentation to justify the overtime as a direct cost of the institution’s goal of training nurses to provide the highest quality care.

Interdisciplinary relationships

Collaborative working relationships within and among the disciplines are valued at Magnet organizations. Mutual respect is based on the premise that all members of the healthcare team make essential and meaningful contributions to achieving clinical outcomes. To show how they allocate scarce resources, Magnet applicants are asked to provide examples of interdisciplinary decision-making.

Tracking attendance and leave with Workforce Absence Manager™ can assist hospitals in identifying individuals who may require counseling, as well as those who should be rewarded for perfect attendance. Inviting employees to participate and collaborate in creating attendance policies promotes empowerment among the staff. Employees are more likely to comply with policies they understand work for them and the hospital as a whole.

More important, attendance acts as a barometer of specific values a hospital expects from its nurses. Hospitals that engage in inflexible scheduling practices, a culture of overtime, inconsistent labor practices, or high turnover create chronic absenteeism among nursing staff. Tracking attendance and leave with Workforce Absence Manager can help hospitals identify the root cause of absenteeism problems. “If nurses are being asked to constantly fill in for those who call in sick, morale will be affected and eventually nurses will leave,” says Timiney.

And a precise understanding of why nurses leave a healthcare organization is vital to developing effective retention strategies. Workforce HR gives hospitals the tools to build a database of nurses’ employment history, including the reasons they state for leaving in exit interviews. By examining the nursing units or types of nurses that experience high turnover, hospitals can begin to remedy adverse working conditions or personnel problems. “Without good data, administrators may never find out why nurses are quitting and what changes in the hospital’s culture have to be made to retain them,” adds Timiney.
Summary

While the journey in pursuit of Magnet recognition is unique to each hospital, adopting characteristics of Magnet facilities is essential to creating and sustaining a superior work environment that attracts and retains a workforce that delivers high-quality care. Any organization that embraces the 14 Forces of Magnetism and commits to using them as internal benchmarks of quality has already set itself apart as a stellar institution that values and respects its nurses. Technology such as the Kronos for Healthcare solution suite can guide institutions on their laudable journey to excellence in nursing care.

To be designated as a Magnet facility, a healthcare organization must achieve all 14 Forces of Magnetism.

1. Transformational Leadership
   - Quality of Nursing Leadership (Force #1)
   - Management Style (Force #3)

2. Structural Empowerment
   - Organizational Structure (Force #2)
   - Personnel Policies and Programs (Force #4)
   - Community and the Healthcare Organization (Force #10)
   - Image of Nursing (Force #12)
   - Professional Development (Force #14)

3. Exemplary Professional Practice
   - Professional Models of Care (Force #5)
   - Consultation and Resources (Force #8)
   - Autonomy (Force #9)
   - Nurses as Teachers (Force #11)
   - Interdisciplinary Relationships (Force #13)

4. New Knowledge, Innovation, & Improvements
   - Quality Improvement (Force #7)

5. Empirical Quality Results
   - Quality of Care (Force #6)