

Assessment 2
Employee Retention Report
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Introduction

Employee retention is an organisation's capacity to keep its employees and prevent their departure. It indicates the degree to which employees are contented and loyal with their work environment, benefits, compensation, and opportunities for growth and development. Employee retention is essential for a variety of reasons, including the reduction of attrition costs, the enhancement of productivity and performance, the enhancement of customer satisfaction and loyalty, and the promotion of a positive organisational culture.

In this report, I will be looking to address the causes and effects of employee attrition within the Nursing Industry in the UK, Identify five monetary and five non-monetary existing retention schemes used by NHS for Nursing professionals and evaluate them critically. I will also make recommendations, both short- and long-term, to improve nurse retention in order to reduce the UK's nurse attrition rate.

The Causes & Effects of Employee Attrition Within the Nursing Industry in the UK

Using Herzberg's two-factor theory, some causes of employee attrition in the United Kingdom nursing industry can be identified and discussed. Fredrick Herzberg proposed the two-factor theory based on the employment aspects that he believed satisfied employees. He later classified these aspects into two categories: hygiene factors and motivational factors (Hur, 2017). According to Hur (2017), hygiene factors are necessary for increased employee motivation, whereas motivational factors result in positive satisfaction.

Workplace or Administrative Policies

Hospital or administrative policy is the first hygiene factor leading to increased attrition in the United Kingdom nursing sector. According to Holland et al. (2018), workplace policy is the general plan containing the principles of the workplace. These policies should be fair, applied equally, and easily acceptable for maximum productivity. Workplace policies should also address issues of diversity and inclusivity, as well as the actions that should be taken if one or more of the principles in the guidelines are violated. Most healthcare organisations in the United Kingdom have workplace policies, but only a tiny percentage carry out the promises highlighted in their policies. For example, a report by the Nuffield Trust found that 60 per cent of registered nurses and midwives under the National Health Services (NHS) experience ethnicity-based discrimination despite their organisations' anti-discrimination policies (The Nuffield Trust, 2021). According to the report, black employees are more than twice as likely as white employees to face workplace discrimination (The Nuffield Trust, 2021). When policy issues are not adequately addressed, they can adversely impact employee satisfaction, leading to increased employee attrition.



Low Pay

Aside from workplace policies, an employee's salary or pay for work done is also a hygiene factor. An employee's pay should be appropriate, reasonable, and equal to that of other workers in the same industry or organisation to facilitate job satisfaction and motivation. The average annual salary for a registered nurse working for the NHS is around £34,000, but some nurses are paid significantly less (Reuben and Gilder, 2022). Furthermore, nurses in the United Kingdom are paid less than those in other European countries. Nurses in Germany, for example, earned £44,000 in 2020, compared to £33,000 made by nurses working in the NHS (Reuben and Gilder, 2022). Those in Belgium made £30,000 more in salary compared to their counterparts in the United Kingdom (Reuben and Gilder, 2022). Salary may not be the only factor influencing employee motivation, but when employees believe they could earn more in other organisations (or jurisdictions), they are more likely to move. Reuben and Gilder (2022) see pay disparity between employees in different organisations as the cause of the current nurse shortage in the United Kingdom.

A Lack of Growth Opportunities

Unlike the previously discussed causes, a lack of opportunities for growth and advancement is a motivating factor. A lack of opportunities for growth and progress is an intrinsic element that, when addressed, can lead to increased job satisfaction (Roth et al., 2021).

Employees want to work for organisations that will help them grow; organisations that recognise this fact frequently create positions for advancement. Others often develop or implement ongoing educational programs that help employees feel valued and fulfilled (Roth et al., 2021). NHS provides a variety of growth opportunities for its nurses. For example, graduate nurses are often offered the opportunity to work under supervision. As their experience grows, these nurses are frequently allowed or trained to specialise in areas such as adult nursing, intensive care nursing, and so on. A lack of employee development programs, such as the one mentioned above, in most UK hospitals leaves nurses feeling stagnant and bored, which leads to increased employee attrition.

Effects of Employee Attrition

Increased organisational motivation and improved healthcare outcomes can result from having a well-designed wage structure, numerous opportunities for nurses to advance their careers, and putting in place workable workplace policies. However, the absence of such measures in a medical facility can result in increased employee turnover, which can affect other measurable goals such as healthcare quality, patient outcomes, and, most importantly, the overall level of happiness in a hospital.

Increased nurse turnover can affect medical outcomes in a facility (Bae, 2022). Bae (2022) conducted a systematic review of over 9,000 articles to understand the impact nurse turnover had in acute hospitals; they found that increased nurse attrition was associated with deteriorated mental health, low job satisfaction, and increased likelihood of medical error. According to Bae (2022), when nurses leave an organisation, those left



take on the responsibilities of those who had left, resulting in increased workload, exhaustion, and, most importantly, burnout. When nurses are exhausted or burnt out, their clinical judgment suffers, leading to medical errors.

Five Monetary & Non-Monetary Existing Retention Schemes used by NHS for Nursing Professionals

Monetary Retention schemes

The National GP Retention Program (NGPRS), the Quality and Outcomes Framework (QOF), and NHS Spot Bonuses are some of the well-known monetary retention schemes by the NHS. The NHS also has an incentive scheme termed Care Quality and Innovation (CQUIN) for nurses working in integrated care. The institutions further give Christmas bonuses to its nurses.

The National GP Retention Program (NGPRS), a combination of financial and educational programs that encourages doctors and nurses who might otherwise leave their jobs to remain, is one of the well-known financial retention schemes developed by the Nation Health Service. While the scheme focuses on doctors, it is also used with nurses. The program provides financial assistance to doctors and nurses, recognising that their jobs differ from those of regular part-time salaried professionals.

NGPRS is beneficial for several reasons. It provides financial incentives and allows professionals to remain in clinical practice for 208 sessions after retirement. Even though NGPRS serves as an incentive and aims to encourage nurses not to leave their profession, it only operates in areas where the NHS believes there is a workforce shortage, leaving unaddressed employee issues in areas without perceived deficiencies. Because of this, the plan may cause nurses in areas without perceived nursing shortage to feel isolated or disadvantaged, which may also lead to employee attrition.

QOF, the CQUIN, and NHS Spot bonuses function as a pay for performance schemes; they help promote structured and team-based care among nurses; the programs aim to increase the attainment of evidence-based quality targets (Minshull and Barnett, 2020). The QOF scheme, unlike the other monetary schemes, offers significant financial incentives; for example, in 2011-2012, professionals participating in the programs were awarded £130 for each point earned; this is a substantial sum given that one can only earn up to a maximum of 1000 points (Walker et al., 2010).

It is also important to note that these retention schemes are reward systems. While they may help promote quality and reduce employee attrition, evidence suggests that rewarding employees (with cash) does not necessarily result in a long-term commitment but only temporarily changes their behaviours (Wijaya and Agustin, 2020). Wijaya and Agustin (2020) also agree that providing an incentive for a behaviour change, such as quitting smoking, wearing a seat belt, or acting generously, is ineffective and frequently results in a deterioration in behaviour. Unlike other incentive programs, NGPRS, QOF, the CQUIN, spot bonuses, and, most importantly, Christmas bonuses offer cash to employees in response to an achievement, which, rather than encouraging long-term employee attrition, can promote a short-term behaviour change.



Non-Monetary Retention Schemes

As previously stated, the NHS's retention strategy includes monetary and non-monetary retention schemes. Non-monetary retention schemes, compared to monetary retention schemes, do not provide cash rewards but require employers to make changes within their organisation to lower attrition rates. As part of its retention strategy, the NHS offers nurses flexible working conditions, additional leave, recognition for a job well done, learning and development opportunities, and mentorship. Some of these initiatives are mentioned in the NHS People Plan and Promise document, released in 2020 (NHS).

Providing employees with a flexible working routine is the most popular organisation retention strategy; it also works as a reward. The NHS allows nurses to schedule shifts, but this should be communicated earlier. Also, according to the NHS People Plan and Promise document, nurses can ask for leaves if they need time off. Similarly, the NHS provides the Learning Support Fund (LSF) for nurses seeking further education. Importantly, those who want to pursue pre-registration or postgraduate studies can apply to the LSF. If a nurse qualifies for the program, they receive a training grant of £5000 per academic year and parental support of at least £2000 if they have a dependent child (NHS, 2020).

These NHS non-monetary programs may appear less effective than cash programs. But unlike cash programs, they act by encouraging and improving employee happiness, which can be a critical factor in reducing the number of nurses leaving a healthcare institution. While some of the factors that cause employee attrition may be beyond the control of the NHS, programs such as recognising a nurse, allowing them time off, and increasing individual autonomy, particularly when choosing working shifts, can go a long way toward reducing nurse attrition.



Recommendation

No industry is immune to attrition; employee attrition can affect any industry, including the nursing sector. However, unlike in other industries, the factors or causes that trigger employee attrition in the UK nursing industry vary. Like any other institution in the United Kingdom, the NHS works tirelessly to identify these factors to keep its employees happy and motivated. The NHS accomplishes this through a variety of retention programs and schemes. These retention programs work well in reducing employee attrition rates. By lowering the rate nurses leave the healthcare sector, the NHS will be better prepared to fight disease and respond to future pandemics like the Covid-19 pandemic.

The NHS has a well-established retention strategy that can be used in a variety of settings. But to avoid the chaos experienced over the past two years due to a nurse shortage, the NHS will need to improve some of the strategies it has been using to retain nurses, including the ones mentioned in this article. The NHS must restructure the NGPRS program to increase nurse retention across all its institutions. As mentioned above, the NGPRS is better suited to serve hospitals, and other healthcare institutions that the NHS believes are suffering from a workforce shortage, leaving institutions in areas with no perceived needs unattended. The fact that this scheme operates in this manner may encourage nurses in certain areas to move to places where they believe the NGPRS program will support them. The other monetary programs, including the QOF and the CQUIN, must also be restructured to support all nurses regardless of where their institutions may be located.

Furthermore, monetary retention schemes such as bonuses and salary increases should not always be the first or only response to improving retention rates; instead, the NHS should devote a significant portion of its resources to non-monetary programs. Education and development programs, additional leaves, flexible working conditions, recognition for a job well done, and mentorship programs are all good examples of non-monetary retention programs employed by the NHS. However, as previously stated, organisational programs, particularly those that emphasise rewarding and punishing employees, promote the development of specific employee behaviours. Therefore, to ensure that these retention programs generate the desired behavioural outcome, the NHS should establish a review system to ensure that the underlying reason for their implementation is met.



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