



# Eight Insights on Retaining New Hires

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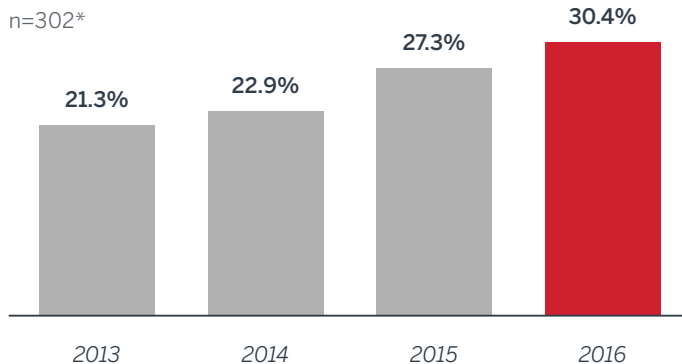
HR leaders, nursing leaders

# Why every organization needs to re-focus on **retaining first-year staff.**

This research briefing offers eight insights to strengthen your first-year staff retention strategy. There are two reasons every organization needs to prioritize first-year retention:

- 1 New hire turnover is costly.** Unwanted turnover creates extra work for managers (who have to interview and onboard replacement hires), remaining staff (who have to pick up the extra work while a position is vacant), and the HR team (who has to find and screen more candidates). Any separation creates this work—but it's especially costly when a new hire leaves, since your organization has not yet recouped its investment in hiring and training him or her.
- 2 New hire separations make up a growing share of all turnover in health care.** In our most recent data, nearly one in three staff who left had less than one year of tenure. Retaining a larger share of first-year staff will drive down the organization's overall turnover rate.

## Percentage Turnover Attributed to Employees with Less Than One Year of Tenure



Historically, health care organizations have invested in robust orientation and onboarding programs to prevent early turnover. These programs play a critical role in supporting new hires, especially during their first 90 days at the organization. But in today's competitive labor market, these programs are not sufficient to prevent first-year turnover. Read on for eight insights to revamp your first-year staff retention strategy.

\* N-value for 2016 benchmark cohort.

# Eight insights on first-year retention

- 01 Engaging millennials isn't enough to keep them.
- 02 Your first-year retention strategy starts with your hiring strategy.
- 03 Pull forward hiring so prolonged vacancies don't lead to more turnover.
- 04 Help managers have the courage to ask staff directly if they plan to leave.
- 05 New hires often feel they are failing, but their managers would disagree.
- 06 Extend accountability for first-year retention down to the front line.
- 07 Hold up a mirror to teams with an unwelcoming culture.
- 08 Start predicting turnover before it happens.



# Engaging millennials isn't enough to keep them.

There is a clear link between engagement and loyalty: engaged staff generally agree they plan to stay at their organization, while disengaged staff typically disagree they will stay. In other words, for most staff, there's very little gap between a staff member's engagement level and their loyalty level. However, we see this relationship between engagement and loyalty break down for staff under the age of 35 with less than three years of tenure.

Compared to other age groups and tenures, millennial staff with less than three years of tenure have a greater gap between their engagement score and loyalty score—they are engaged, but not necessarily planning to stay.

This disconnect makes sense when you consider today's job market and the perspective of an early career professional:



**Millennials have fewer past work experiences for perspective.** They may be less likely to stick with your organization through a rough patch.



**They think in shorter-term increments.** Six months can feel a lot longer for someone who has been in the workforce for two years than for someone who is in the second decade of their career.



**They have more options than ever before.** Stigma about job hopping has dissipated, and staff have more access to information about other jobs than ever before.

An organization-wide engagement strategy is still critical to support retention (not to mention other outcomes), but it won't be enough to keep early-tenure millennial staff. You need to have a supplemental retention strategy that extends through new hires' first three years of tenure. If you can retain them past the three-year mark, their level of loyalty more closely matches their level of engagement.

# Your first-year retention strategy starts with your hiring strategy.

Some staff leave within their first year because they weren't the right fit for your organization to begin with. If you're seeing a spike in first-year turnover, especially in the first 90 days, take a close look at your hiring practices.

It's all too easy to let hiring standards slip during a labor shortage, as hiring teams struggle to find enough candidates to fill open positions. Filling positions quickly may seem like the right choice in the moment, but when staff turn over in the near future, organizations often have to fill in the gaps with agency staff.

It's not just a small candidate pool that contributes to suboptimal hiring decisions. Interviewers often make hiring decisions based on their gut instinct rather than specific, standard criteria.

## Reasons Organizations Struggle to Hire the Right Staff



Multitude of human biases inherent in selecting candidates



Limited pool of qualified candidates in the market



Lack of training on how to properly interview and evaluate candidates



Misalignment between criteria used to evaluate candidate and what's required to be successful in the role and at the organization

One technique you can use to add rigor to your interviewing process is behavioral-based interviewing (BBI). This technique focuses on asking candidates about their past behavior, since that is typically the most accurate predictor of future behavior. If you want to use BBI, focus on three things:

1. Develop BBI templates for your hard-to-fill roles first.
2. Identify a short list of behavioral competencies for a role, and develop a question set that prompts candidates to explain when they have demonstrated those competencies in the past.
3. Provide hiring teams with a rubric that outlines qualities of a good response as well as red flags.

Some organizations are going a step further to refine their hiring practices by using pre-hire screens for candidates. These screening tools offer a data-driven approach to hiring that may be less subject to human error. MultiCare Health System uses a screening tool that analyzes a mix of data to determine a candidate's likelihood to turn over once they are hired.

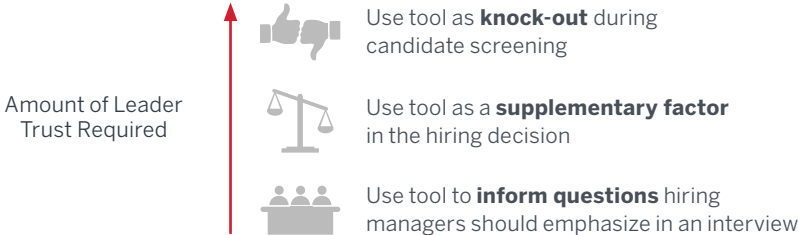
CASE IN BRIEF

**MultiCare Health System**

- Seven-hospital health system with over 18,000 team members based in the Pacific Northwest.
- Partnered with Arena Analytics, a big-data analytics firm, to administer a pre-hire screen for nursing candidates.
- Arena's screening tool is based on a self-learning model that aggregates thousands of data points into a correlation regression analysis that predicts the likelihood a candidate will leave a given role and location, based on applicant data and organizational data.
- Candidates complete a 15- to 20-minute online assessment that collects data related to both the substance of candidate answers and behaviors while completing the screen (e.g., giving up on a hard question, typing long answers, delays before responding, tendency to make bold statements).
- Candidate screen provides a hiring recommendation coded as green (recommended), yellow (caution), or red (not recommended), based on how the candidate scored on the assessment.
- First-year turnover is 27% lower for Arena-recommended candidates.

If your organization is using a pre-hire screen, or considering one, remember that pre-screen results are useful only if leaders take action. Often, organizations struggle to get leaders to consistently use and trust a screening tool. To ensure a return on investment, you have to decide from the outset how you will use the results to inform your hiring decisions.

**Three Options for Using Pre-hire Screen Results**



# Pull forward hiring so prolonged vacancies don't lead to more turnover.

When staff leave unexpectedly, it can take hiring teams weeks—if not months—to fill vacancies. That delay leaves teams with a heavier workload, which can lead to more turnover.

But it's not easy to hire and onboard the exact number of staff that you need when you need them. Staff typically don't announce their departures months in advance, and recruiters need months to fill in-demand roles in a labor shortage.

## Prolonged Vacancies Increase Workload and Exacerbate Turnover





To reduce the burden of prolonged vacancies, organizations need to pull forward hiring to account for the sizable lag time between posting a position and having a fully productive staff member. In the most effective forward-hiring processes, HR and operational leaders project hiring needs in advance, determining the number of vacancies that will accumulate across the next quarter based on historical turnover rates. Then they kick off the hiring process and hire the number of staff they predict they will need in three months before the vacancies actually occur. These “over-hires” are then able to fill vacant positions as they arise.

Most organizations aspire to achieve this scenario, but face four barriers to making it happen:

#### Four Barriers to Forward-Hiring

1. How will I make the **business case** for advanced hiring?
2. How do I **calculate the right number** of people to hire (and how often)?
3. How can I work with leaders to **batch-hire** qualified staff to fill anticipated vacancies?
4. How will I effectively **orient staff** before they have permanent placements?

Yale New Haven Hospital has implemented an over-hiring strategy to fill vacancies before they occur. They made the business case to over-hire staff at the service-line level and developed a reliable formula to ensure they hire the right number of staff. In addition, they hire new cohorts of graduate nurses for their medicine service line at least every three months and flex them on two similar units until they are fully trained and a vacancy opens up for them to fill.

## CASE IN BRIEF

### Yale New Haven Hospital

- 1,541-bed academic medical center in New Haven, Connecticut; includes a children's hospital, a psychiatric hospital, and a cancer hospital; part of Yale New Haven Health.
- In 2008, the CNO introduced over-hiring model to executive team. The goal is to fill anticipated vacancies on nursing units before they occur to reduce the lag time between posting the position and having a new, productive team member on the unit.
- To determine appropriate number of staff to over-hire, leaders designed formula that accounts for variables including: budgeted FTEs for coming year, most recent annual turnover rate, FTEs leaving the organization, internal FTE transfers to other units or service lines, and time to hire and orient new staff. Nursing and HR leaders project service-line staffing needs at least quarterly so they can begin recruiting nurses to fill anticipated vacancies.
- To increase efficiencies, medicine service-line leaders hire staff into service-line cohort; each new hire goes through orientation on two units in that service line, and flexes between the two units until vacancy opens.
- Since introducing over-hiring at service-line level in FY 2016 Q2, Yale New Haven Hospital has reduced its recruitment vacancy rate by 23.2% and reduced turnover from 8.6% to 7.9%. YNHH expanded the over-hiring model to all service lines after seeing success with the medicine service line.

Yale New Haven Hospital's approach of hiring staff at the service-line level—rather than the unit level—helps tackle the challenge of not knowing when turnover will occur. It's much easier and more reliable to project quarterly staffing needs for a service line than it is for an individual unit. They are able to flex new hires between units during their orientation period and then slot these new hires into the unit that needs them once they are fully trained.

If you want to implement service-line over-hiring, we recommend beginning with two steps. First, create a process to batch-hire staff on a service line. Conducting large-scale hiring events for a service line (and not a specific unit) allows you to efficiently hire cohorts of staff and gives you more flexibility to place new hires where they are needed after their training period. Second, pilot the process on a service line with similar units. By choosing to pilot on the medicine service line, Yale was able to standardize orientation length and easily cross-train staff across units.

# Help managers have the courage to ask staff directly if they plan to leave.

Frontline managers are your first line of defense for retaining staff. Yet, in our conversations with managers, many of them are hesitant to ask staff directly if they plan to leave.

## Why Managers Don't Have Conversations About Turnover

"I may **make the situation** worse by planting the seed."

"I **can't do anything** to change their decision anyway."

"It's **too personal** and uncomfortable."

"I'm **too busy** to have more one-on-one conversations."

Ultimately, if you want to reduce turnover, you have to convince managers that having candid conversations with staff about their future plans is worthwhile—and can ultimately get some departing staff to stay. The good news is when managers do have these conversations, they often uncover retention levers that they can influence, such as development opportunities and workload. The key is being able to identify these issues before someone leaves. There are three conversations managers should master to reduce turnover.

## Three Conversations Managers Should Master to Reduce Turnover

For a Select Few  
"Keystone" Staff Members



### Stay Interview

Find out what will likely make someone stay at the organization—and reduce the risk she will leave.

When There Is an  
Unmistakable Red Flag



### Red Flag Check-In

When you see a sign that someone may be considering leaving, bring it up (productively).

When a Staff Member  
Plans to Leave



### Resignation Recovery Conversation

Balance your emotional response and learn as much as you can when someone gives notice.

With limited time, managers must triage their efforts so they are having the right conversations, with the right people, at the right time. This is especially true for new hires. Managers can't have these conversations with every new hire. You have to equip them with the tools to detect which new hires are at risk of leaving and train them to ask the right questions to surface actionable information to keep staff.



#### RELATED RESOURCE

### **Workshop: Master Three Conversations to Stop Turnover**

This four-hour workshop, available to Talent Development partners, equips managers to spot staff who may be a turnover risk and have effective conversations to surface why they may leave.

Participants will learn how to:

- Prioritize and plan conversations with critical staff members
- Uncover the individual drivers of turnover—and retention—among their staff
- Reverse the trajectory of staff members with “one foot out the door”

To learn more, contact [\*\*programinquiries@advisory.com\*\*](mailto:programinquiries@advisory.com)

# New hires often feel they are failing, and their managers would disagree.

New hires often worry about whether they are meeting the expectations of their role. If they're not sure, they may start feeling they aren't a good fit for the job—and ultimately leave. Since managers expect new hires to go through a learning curve, they often don't realize that their new hire may be feeling unsuccessful.

## Representative Scenario



### Manager Perception

*"Compared to the last several new hires I've had, this one is getting up to speed quickly! He's ready to fly solo."*



### New Hire Perception

*"There is so much going on every day...I keep making mistakes and I feel embarrassed by them."*

Most sources of feedback from managers and new hires don't surface this misalignment. New hires will likely report in their onboarding survey that they've met with their manager and get along with peers. The manager will report that the new hire is getting up to speed. When the manager and new hire meet in person, the new hire will likely feel too embarrassed to admit they don't feel they're doing a good job.

To surface these gaps, you need to look at new hire and manager perceptions of performance side-by-side. Which new hires feel they are struggling when their manager thinks they're doing just fine? Or, vice versa, which new hires think they're knocking it out of the park but their manager disagrees.

We've designed the New Hire Cross-Check Tool to help prioritize early retention efforts by pinpointing pairs of managers and new hires who have significant gaps in perception.



#### RELATED RESOURCE

### **New Hire Cross-Check Tool**

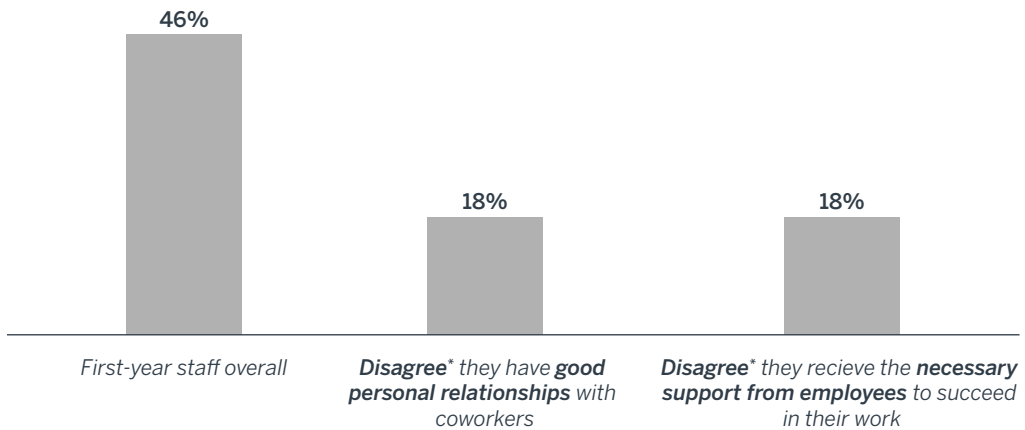
- New hires and their managers complete a seven-question survey early in the new hire's tenure; the survey captures information on team dynamics, workload, and perception of new hire performance.
- The interactive results show: gaps in perception between new hires and their supervisors (by question and overall score), the distribution of responses for each survey question, and open-ended feedback.

To learn more, contact [\*\*programinquiries@advisory.com\*\*](mailto:programinquiries@advisory.com)

## Extend accountability for first-year retention down to the front line.

Managers alone don't make or break the new hire experience. In most cases, new hires spend more time with their peers than they spend with their manager. The relationship a new hire has with their team can play a critical role in whether they choose to leave or stay. In fact, the data show a significant decline in likelihood to stay when new hires feel they don't have supportive relationships with their peers.

**Percentage of First-Year Staff Who Strongly Agree with the Statement:**  
**"I am likely to be working for this organization three years from now."**

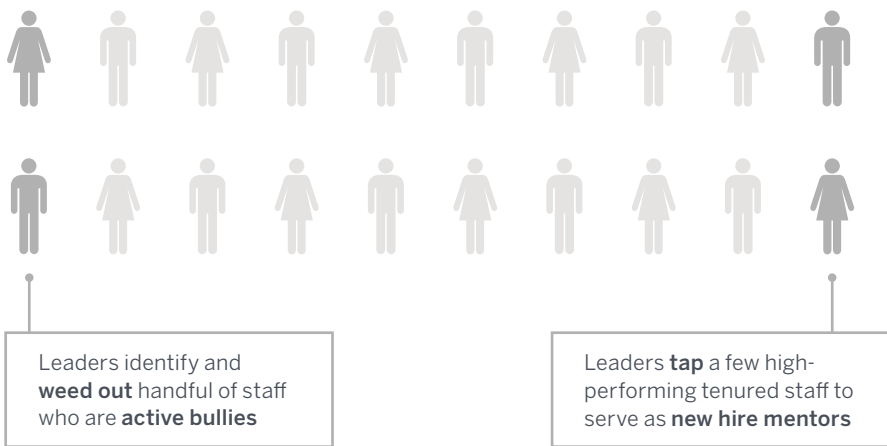


Most organizations have focused on improving relationships between new hires and their peers in two ways: enforcing anti-bullying policies, and establishing mentorship programs that pair new hires with tenured staff.

This approach overlooks the vast majority of staff who are neither active bullies nor tenured mentors. If you want to retain new hires, you have to find ways to involve this group, which plays such a large role in setting the tone for the team.

\* Tend to disagree, disagree, or strongly disagree.

## Typical Approach to Improving Peer-New Hire Relationships Overlooks Majority of Staff



### *Two Levers to Activate Majority of Staff in New-Hire Retention*

- 1 Give all staff a stake** in the success of new hires.
- 2 Make hot spots of incivility transparent.**

You can activate the majority of employees by instilling accountability in all staff for retaining new hires. First, you need to give all staff a stake in new hire success. That means dispelling the assumption that managers are the only ones who are responsible for retaining and engaging staff. One way you can do this is by involving staff in hiring so that they feel they have input into who joins their team. Second, you need to identify when teams have an unwelcoming or toxic team culture that could be turning new hires away. In the next section, we'll share more details on how St. Luke's Hospital does this.



## Hold up a mirror to teams with an unwelcoming culture.

It's not news that tenured staff can make new hires feel they aren't welcome or supported. Most organizations can spot and weed out active bullies. However, it's not just these extreme cases that can negatively impact a new hire's experience. More often than not, it's peers' more subtle behaviors that make new hires feel their teams don't support them. But it's challenging to detect this type of incivility.

“I wish there were a more welcoming atmosphere for new people. When I first started, I was told by a couple of staff members that they did not like new people—that can make the new job experience very intimidating.”

Open-ended engagement survey feedback from staff member

You need to shine a light on these hot spots of incivility so staff know their inappropriate behavior is seen—and not acceptable. Staff may not realize the negative impact their behavior has on the team's culture. By holding a mirror up, you can show them the unintended consequences of their actions.

Saint Luke's Hospital implemented a short, simple survey for float staff to help detect civility problems across their nursing units. Float nurses can offer the outside perspective that permanent team members may not see or be willing to admit. Since float staff spend a lot of time on different units, they can recognize a strong team environment—and one that is less so.

## Saint Luke's Hospital of Kansas City's "Heavenly Seven" Float Survey\*

Based on your last shift, rate your agreement with the following statements:

- » I felt welcome on the unit.
- » Someone offered help when I needed it.
- » If floated again, I would enjoy returning to this unit.
- » I had the resources I needed to complete my assignment.
- » I witnessed someone expressing appreciation to another for good work.
- » Staff showed concern for my well-being.
- » I received appreciation for my work.

### CASE IN BRIEF

#### St. Luke's Hospital of Kansas City

- 629-bed teaching hospital in Kansas City, Missouri; part of a 10-hospital regional health system in Kansas and Missouri.
- Launched the seven-question Civility Index in March 2015 to give leaders a pulse check of work environment across units; float nurses receive the two-minute survey within seven days of the float experience.
- Nursing quality analyst collects, analyzes and shares data with unit managers that can be filtered by hospital, role, and unit.
- Reduced overall RN turnover from 13% to 9% since implementing index, reduced RN turnover from 12% to 9%.
- An Action Learning Group of the 2012 RWJF/ENF cohort created an accompanying 'Civility and Respect Toolkit' intended to empower health care leaders to identify, intervene, and prevent workplace incivility and bullying; the toolkit is freely accessible at [stopbullyingtoolkit.org](http://stopbullyingtoolkit.org)

Staff need to know when their behaviors may be negatively impacting their fellow teammates' experience at work. Whether you use this survey or your own, you want to find appropriate ways to share this information with staff. Consider encouraging managers to share the results directly with staff and involve staff in action planning. Sometimes the solution can be as simple as encouraging all staff to greet each other or thank each other more often. Simple changes can make a sizable difference.

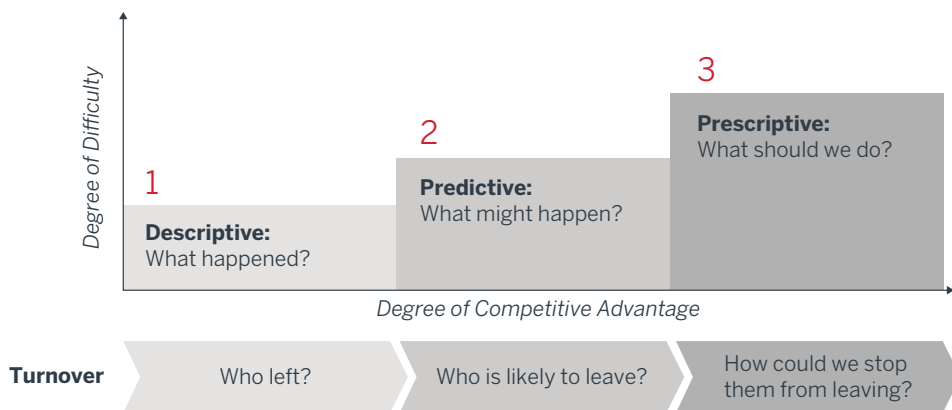
\* The Heavenly Seven is copyrighted by Dr. Cole Edmonson, DNP, RN, FACHE, NEA BC, FAAN and Joyce Lee, MSN, RN at Texas Health Presbyterian Hospital Dallas.

# Start predicting turnover before it happens.

If you could predict which team members are thinking about leaving, you could intervene and perhaps change their mind. The challenge, of course, is figuring out which staff might have one foot out the door. Most health care organizations today rely on descriptive data to tell them what happened in the past, hoping to be able to make conclusions about what might happen in the future. The next frontier is to shift toward more predictive and prescriptive analytics, where you can use your data to tell you what might happen and what you should do about it. But this is admittedly no easy feat.

## Shifting from Descriptive to Prescriptive Data Analytics

*Three Progressive Stages of Analytics*



Aurora Health Care has made the shift toward prescriptive workforce analytics and has seen a sizable return on investment: a 25% reduction in first-year turnover. Aurora's senior leaders invested in a workforce analytics team to create an algorithm that quantifies and predicts the individual flight risk of in-seat employees. The workforce analytics team is responsible for collecting and validating all of the necessary data inputs and partnering with HR business partners to prioritize retention efforts for staff flagged as high flight risks.

#### CASE IN BRIEF

### **Aurora Health Care**

- Not-for-profit, 15-hospital system in Wisconsin, with more than 150 clinics; Aurora has 30,000 caregivers, including more than 1,500 employed physicians.
- System hired a director who led the formation of the workforce strategy and analytics team, which is responsible for the development of flight risk modeling at an individual employee level.
- The workforce strategy and analytics team collected data from current and past employees to determine variables and attributes that can predict probability of an employee leaving within the coming year. The team creates heat maps by site to identify high-risk employees by unit.
- The flight risk model is updated monthly, with new triggers added (e.g., manager change, release of performance ratings) to see the impact or changes on an individual's flight risk score.
- HR business partners use the flight risk model in conjunction with operational leaders to prioritize and inform retention efforts. The overall retention management process is a partnership between the workforce strategy and analytics team and the HR business partners to ensure standardized process and implementation. Each site business partner will drive implementation in conjunction with their operations leader.
- Reduced first-year turnover by 25% since 2016, voluntary nurse turnover by 18%, and voluntary all-staff turnover by 12%.

For Aurora, leadership commitment was imperative to ensuring a return on their investment in prescriptive analytics. They've secured this commitment by including a retention goal in all leader performance evaluations. If you want to start taking a data-driven approach to talent decisions, keep in mind that the data will be powerful only if your leaders understand it and trust it. That means you'll need analytics staff who have expertise in data visualization and can skillfully explain complex topics to key stakeholders. Use the considerations below to evaluate whether your organization is ready to invest in workforce analytics.

### Signs You're Ready to Apply Analytics to Predict Flight Risk of In-Seat Staff



You currently **have someone who could manage** a data analytics team, or you are willing to hire a director-level leader externally.



If you do not have internal talent to fill this role, you know how to **hire for the needed skill set.**



You've identified other **key organizational needs** that a workforce analytics team could impact beyond predicting turnover.

# More from the HR Advancement Center

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## Want more on retaining first-year staff?

This executive briefing is a publication of the HR Advancement Center, a division of Advisory Board. As a member of the HR Advancement Center, you have access to a wide variety of resources, including webconferences, studies, toolkits, and more. Preview some of our other implementation resources on first-year retention.

### » **Annual Turnover, Vacancy, and Premium Labor Benchmarks**

Use our interactive benchmark generator to find the numbers you need on key performance metrics. You can filter the data by region, organization type, size, and union status.

### » **New Hire Cross-Check Tool**

Prioritize retention efforts by assessing gaps in perception between new hires and their supervisors.

### » **Win Talent in a Candidate Centric-Market**

Build a recruiting playbook for a competitive labor market that makes people want to apply to work at your organization, prepares managers to close the deal fast, and helps passive candidates consider you as a future employer.

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