Staffing Value: Permanent Staff vs. Travelers; The Best of Both Worlds

the one minute white paper
The Question:
Staffing your hospital while working with a tight budget and open shifts to fill may present you with a challenging question:

*How do you decide between financial responsibility and taking care of patients and the staff you love?*

The good news is that you can do all three. These goals are not mutually exclusive; in fact they are just the opposite, as this One-Minute White Paper will explain.

The Benefits:

**Morale and Performance of Your Permanent Staff**

First, let’s discuss staff morale. As a hiring or nurse manager these are numbers you have probably heard a thousand times, but they are important in understanding how vital taking care of your staff is in order to be financially responsible. That’s right, taking care of your staff is financially responsible.

Although your permanent staff may even be asking to work extra shifts right now, keep in mind that for their long term health and nursing career goals it may not be in their best interest to work overtime for an extended period of time. Heavy workloads have been shown to have a direct negative impact on morale and health, which in turn can potentially lead to more unit conflicts, disruptions and turnover. Considering that 43% of nurses suffering burnout are likely to leave their jobs within a year and the costs associated with staff turnover, it is important to keep a watchful eye on your staff’s morale; both for their well being, the well being of your patients and the financial health of your facility.

One easy way to help maintain good morale among your unit is using travelers, who are able to step in right away and do not require lengthy training programs because they arrive experienced and ready to start work. This can help ease the burden on your permanent staff by helping them avoid long hours, high Nurse to Patient ratios and ultimately burnout.

**Quality of Patient Care**

Now let’s evaluate quality. Although your permanent staff may be willing to work extra shifts, industry research has shown that the more hours they work the greater chance they will suffer burn out and make mistakes. And not surprisingly, research has shown that hospitals with high levels of staff burnout make more mistakes and may be compromising the quality of patient care.

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**Financial Savings**

Often when budgets tighten up one of the first areas to be cut or eliminated at a hospital is the use of temporary staff, because they are deemed to be more expensive and a luxury by financial decision makers. But we always recommend that our hospital partners look at their situation through three areas of benefits that they may not immediately consider:

- Morale and performance of your permanent staff
- Quality of patient care
- Financial Savings

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The Opportunity:

After an initial evaluation of this question, having your own staff work overtime may feel like the most financially sound option when budgets are limited. However, this question presents an opportunity to look at your staffing strategy and the use of travelers from a new perspective, one that helps you take care of hardworking perm staff, your patients and still be financially responsible for your hospital.

Medical Solutions • Staffing Value: Permanent Staff vs. Travelers; The Best of Both Worlds
Financial Savings

Finally, let’s take a look at the numbers and how using travelers is actually a cost savings. Paying your permanent staff overtime pay at the standard time and a half rate can end up costing your hospital more per hour than the standard bill rates of most healthcare staffing companies. In fact, if you have three staff working one extra shift a week, you can start to see savings by placing just one traveler to cover those three overtime shifts at a normal pay rate.

In addition to these up-front costs are many hidden and high costs associated with the turnover that can occur as a result of nurse burnout; burnout caused by high Nurse to Patient ratios and high overtime hours due to too much reliance on perm staff to fill open hours. Industry research estimates that it costs hospitals $50,000 per RN in visible or invisible turnover costs to replace a nurse. Add in the $60,000 annually in quality of care savings that occur for each additional full-time RN employed (Dall) and the soundness of the decision to staff with travelers instead of overtime perm staff becomes easy to see.

And in addition to the cost effectiveness and savings from using travelers, utilizing travelers instead of permanent staff working overtime can also help you take care of patients and your perm staff by:

- Lifting the morale of permanent staff by easing their workload and reducing overtime
- Improving your facility’s quality of care
- Decreasing Nurse to Patient ratios

The Payoff:

As you can see it is possible to focus on your three goals as a nurse manager of taking care of patients, taking care of the staff you depend on every day and taking care of the bottom line at the same time without sacrificing one for the other. Summing up, using travelers is a sound financial decision for your facility because of the:

- Cost equivalency of a traveler working three normal shifts versus permanent staff working three overtime shifts
- Turnover costs resulting from burnout associated with high Nurse to Patient ratios and overtime hours
- Quality of care savings from employing more full-time RNs

“The Next Steps:

1. Download the Staffing Value Calculator Worksheet and evaluate your facility’s situation (Staffing.MedicalSolutions.com/Calculator)
2. Contact a Medical Solutions Client Manager to discuss the results and create a plan of action for your hospital

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Source Disclaimer: This report is based on the most recent research in the industry. Medical Solutions believes in using the most up to date research available to us and we are continually revisiting our white papers and calculators to make sure that is the case when new data comes available.

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