Finders, Keepers

The Management of Staff Turnover in NHS Trusts

Staff turnover is growing and presenting problems for trusts...

- replacing a member of staff can cost as much as £5,000
- high turnover can lead to critical posts remaining vacant for long periods
- service standards and the fulfilment of contracts can be affected
- training costs for the NHS as a whole may rise

...but, although turnover is partly outside their control, trust managers can take action to minimise it.

- local and national economic factors, NHS developments outside the trust and supply and demand patterns for different staff groups all affect turnover
- but more than half the variation in turnover rates is explained by differences in how trusts manage their staff

To control turnover, trust boards need to understand the local situation...

- monitoring a range of indicators within the trust, such as turnover rates for different staff groups
- tracking developments in local labour markets and in the wider markets for specific skills
- understanding the attitudes and aspirations of trust staff

...and design services to make best use of the skills likely to be available.

- drawing on best practice from elsewhere
- reviewing staff structures and re-designing jobs
- considering buying in services which depend on scarce skills

Trust boards should set coherent policy frameworks and managers should develop action plans that include...

- developing reward systems that make staff feel valued, providing opportunities for flexible working and training existing staff
- keeping in touch with leavers and prospective part-timers
- improving recruitment processes
- working with local education and training consortia to ensure that future needs can be met
- communicating effectively with all staff
The Audit Commission

...promotes proper stewardship of public finances and helps those responsible for public services to achieve economy, efficiency and effectiveness.
Introduction

1. One of the most important freedoms conferred by NHS trust status is the freedom to manage human resources. Trust boards are empowered to decide what skills they need and the pattern of staffing that is appropriate to their aims. They are, in every sense, the employers of their staff, with powers of appointment and dismissal (within the constraints of employment law) and the scope to negotiate local pay and conditions with most of the main staff groups.† With this freedom goes a responsibility to ensure that staff are effectively recruited, trained, motivated and rewarded so that each individual can add maximum value to the work of the trust.

2. In its 1994 national report, *Trusting in the Future* (Ref. 1), the Audit Commission drew attention to the wide variation in the clinical productivityII of trusts, attributing it in large part to differences in the ways that staff were organised and managed. The report stressed the need for effective people management to maximise productivity. It highlighted the fact that, if important human resource tasks were not performed well – throughout the organisation, not just in the human resources department – costly problems such as job dissatisfaction, high levels of sickness absence and high rates of turnover might grow.

3. This bulletin focuses on staff turnover (Box A), and particularly on reducing the high turnover rates which are causing problems for many trusts. It looks at the advantages and disadvantages of both high and low rates of turnover, and analyses the reasons for changes in these rates. Some of the factors that have an impact on turnover are outside the control of individual trusts, or even of the NHS as a whole; but many can be influenced by trust managers. The bulletin goes on to propose a framework for monitoring key indicators,

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*Box A*  
Calculating turnover rates  

Turnover is generally calculated by dividing the number of leavers in a year by the average number of staff in post during that year on a head-count basis. There are, however, a number of variants:

- Many NHS bodies calculate turnover by dividing leavers by staff in post plus leavers, thus recording lower turnover rates than would have resulted from the conventional approach.
- In some circumstances – for example where the staffing of a unit comprises a mixture of whole-timers and part-timers – a whole-time equivalent basis gives a better indication than head count of the extent to which skills are being lost.
- It can often be helpful to distinguish different categories of turnover such as normal retirement, redundancies and dismissals, involuntary turnover due to death in service or ill-health, and voluntary resignations. Some definitions of turnover exclude one or more of these categories and many organisations monitor the rate of voluntary resignations alongside the global turnover rate.

It is clearly important when comparing turnover rates over time or between organisations to ensure that consistent definitions are used.
understanding their causes and taking appropriate action — drawing on the experience of a number of different trusts where high turnover problems have been addressed effectively.

4. The actions that trust managers take to control turnover will inevitably be influenced by the ease with which key skills can be replaced if staff leave. Retention cannot be considered in isolation from recruitment. This is particularly the case where a trust has difficulty in retaining staff in posts that are difficult to fill — a combination of factors which can result in vacancy levels that frustrate effective service delivery (Exhibit 1). Poor recruitment processes can themselves also be a cause of retention difficulties. For both these reasons, any approach to the management of turnover must include consideration of how new staff are recruited.

5. Recruitment and retention problems are experienced in different ways by different types of organisation, but the techniques of people management that enable organisations to achieve better control of turnover are common to all. Many of the issues addressed here have been considered in earlier Audit Commission publications directed primarily towards a local government audience (Refs. 2, 3, 4); the findings of those reports remain relevant and their recommendations are readily adaptable to NHS circumstances. Specific issues relating to the management of nurses (Ref. 5) and medical staff (Refs. 6 and 7) have

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Exhibit 1

**Recruitment and retention**

Recruitment and retention issues cannot be considered in isolation.

<table>
<thead>
<tr>
<th>Recruitment</th>
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<tr>
<td>easy</td>
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Low turnover
Typical case: rural DGH within easy reach of major centre

Low turnover
Typical case: isolated DGH

High turnover
Typical case: prestige inner-city hospital

High turnover
Typical case: high-stress unit or occupation

Low vacancy levels

Moderate vacancy levels

High vacancy levels

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1 The ‘vacancy level’ is defined as the number of posts vacant at any time, divided by the ‘establishment’ - vacant posts and posts occupied - at that time.
also been covered in recent Audit Commission reports.

6. This bulletin does not, therefore, set out to provide a comprehensive guide to people management in the NHS. Rather, it aims:

♦ to draw the attention of decision-makers to a growing problem affecting staff in many trusts;
♦ to provide a context for the audits that will be taking place in 1996/97; and
♦ to outline some approaches to turnover management that trusts have found effective in particular local circumstances.

It should be of interest not only to human resource specialists (who will already be familiar with many of the issues) but also to senior managers and board members generally, especially in those trusts where staff turnover is already a problem or is on the increase.

7. The bulletin is in four main sections: the first two set the scene using data collected in the Commission’s 1995 survey of 75 acute hospital trusts, while the later sections suggest a course of action for trusts to follow.

♦ Section 1 – Does Turnover Matter? – describes how the perceived importance of turnover varies and analyses turnover costs – particularly the costs associated with high turnover.
♦ Section 2 – Is Turnover Manageable? – considers the main factors influencing turnover.
♦ Section 3 – Understanding the Local Situation – sets out the steps that trust managers should take to determine the extent and nature of any turnover problem.
♦ Section 4 – Taking Action – outlines some approaches to turnover management that have been found to be effective.

Readers familiar with the context may wish to concentrate on the last two sections, with particular reference to the management checklists on pages 25 and 32.
8. Turnover was last an issue of general concern in the late 1980s. At that time, many employers were adversely affected by shortages of key skills, and the situation was expected to get worse. NHS managers, whose supply of qualified staff had traditionally depended on a high proportion of school leavers entering relevant training courses, considered themselves particularly exposed, for while the number of school leavers was shrinking the number of places on alternative further and higher education courses was increasing. This combination of pressures created a fear that by the mid-1990s there would be insufficient qualified healthcare professionals to meet the growing demands of an ageing population.

9. The climate of opinion changed radically during the economic recession of the early 1990s, to the extent that some NHS employers became concerned that the turnover of some categories of staff might be too low. This was a particular worry for trusts seeking to downsize or to alter the skill mix without having to make staff redundant. But even where the composition of the workforce was not an issue, managers found payroll budgets coming under pressure as staff who might at other times have found promotion opportunities elsewhere stayed on and drifted to the upper ends of their incremental pay scales.

10. In the last few years, a more varied pattern has emerged. While, nationally, turnover rates have risen sharply – in the case of registered nurses, from a recent low of 13 per cent in 1992/93 to 22 per cent in 1995/96 (Ref. 8) – there are wide variations from trust to trust and profession to profession (Exhibit 2). Some trusts are still beset by problems of low turnover, but others are facing problems that have not been seen for a number of years, including ward and operating theatre closures due to shortages of key staff; some have revived recruitment practices last used in the late 1980s, such as job fairs, open days and even international advertising of routine vacancies.

The costs of turnover

11. All organisations experience some turnover: staff retire, fixed-term contracts come to an end, and trainees complete work-based modules of their education. In most cases, a certain amount of turnover over and above this is to be welcomed as a means of bringing in new skills and fresh thinking to an organisation at all levels. The optimal rate of turnover will be different for different types of organisation, and, within a trust, will vary from profession to profession, from department to department and over time.

12. High rates of turnover generate costs, but they also deliver benefits; and there are corresponding benefits and costs associated with low turnover rates (Box B, p8). But, while it is important to avoid stagnation, the most pressing problems are currently those of trusts facing far higher rates of turnover than they would wish among certain staff groups. The major concern of this paper is therefore with the management of undesirably high turnover, rather than the problems of too many staff staying in one place for too long.
1. Does Turnover Matter?

**Exhibit 2**
**The range of turnover**

Turnover levels ranged from 4 per cent to 30 per cent for grades 3 and 4 administrative and clerical staff...

...from 7 per cent to 36 per cent for nurses...

...and from 8 per cent to 76 per cent for physiotherapy staff.

*Source: Audit Commission survey of acute hospital trusts (1995)*
13. The costs of high turnover can be substantial, running to several thousand pounds every time a trust has to replace a member of staff. The Audit Commission has used the costing method developed by the Institute of Employment Studies (Ref. 9) to analyse the cost of a typical turnover event – the replacement of a Grade E nurse – at three different trusts (Exhibit 3). The average cost was £4,900.

14. The most significant costs are incurred after a vacant post has been filled, and derive mainly from reduction in output as the new member of staff learns the job. Research covering a wide range of jobs (Ref. 10) suggests that the average new recruit is 60 per cent productive on appointment, achieving 100 per cent productivity only after the end of the first year. Clearly the productivity level on appointment and the speed with which 100 per cent productivity is attained will vary for individual cases according to the post being filled and the experience of the person filling it: technical staff moving between similar jobs in the NHS may have less to learn than the average recruit; managers coming into a new organisational environment or recruits from outside the service rather more. But induction and training costs consequent on a vacancy arising and a new appointment being made are often underestimated.

15. Although the costs of recruitment and temporary cover typically account for less than 20 per cent of the total cost of replacing a member of staff, they too can be significant in a tight labour market. Initial advertisements may fail to produce an adequate response, short-listing and interview processes may have to be repeated, and significant extra cost incurred in providing temporary cover. In such circumstances, a large amount of management time and energy may be
16. Trusts also pay for high turnover in ways that cannot easily be quantified. A recent study for the NHS Women's Unit of the career paths of managers and senior nurses found high rates of turnover among both groups, with managers staying 3.3 years on average in each job before moving (usually to another NHS employer), and senior nurses only 2.5 years (Ref. 11). While there may be advantages in junior staff gaining a range of experience in different environments, frequent moves of senior staff can disrupt both the internal and external relationships that trusts need to build. And the expectation that advancement requires frequent moves may prevent some staff from achieving their full potential within the service. High turnover thus has an impact on the NHS nationally, not just on individual trusts.

17. The problems presented by high rates of turnover within the NHS are beginning to be recognised at national level. There is already concern about the rate at which NHS staff are being lost to the service as a whole. The education and training of nurses alone (both pre-registration and post-registration) is estimated to have cost the NHS £600 million in 1994/95. Yet a recent survey found that almost one-third of trained nurses of working age were no longer employed in the service (Ref. 12). If staff could be retained for longer periods, the return on the investment in training would improve and, in the medium term, the need to train fewer replacement staff would release funds for improvements to other aspects of the service.

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Exhibit 3
Cost of replacing three Grade E nurses at three trusts

Using the costing method developed by the Institute of Employment Studies, the Commission found the average cost to be £4,900.

Source: Audit Commission costing exercise at three acute hospital trusts (1995)
2. Is Turnover Manageable?

18. Neither individual trusts nor the NHS nationally have complete control of staff turnover. Some of the factors that affect turnover levels are demographic or macroeconomic, and therefore wholly outside NHS control. Others, such as local labour markets, the balance of supply and demand in particular professions and the matching of individual development aspirations with the needs of the service, can be influenced only through concerted action by trusts and other employers over a long period. But many of the causes of turnover are within the direct control of trusts and stem from their different approaches to people management (Exhibit 4).

Exhibit 4
What drives turnover
Some of the factors affecting turnover are outside the influence of trust managers, but others can be controlled.
The national labour market

19. Employers are currently benefiting from some growth in the national workforce. The number of 16- to 18-year-old school leavers, which fell by 30 per cent between 1981 and 1995, is now stable, and entrants to the workforce (many of them women returning to employment after a break) outnumber those retiring. But at the same time, demand for labour has been rising more rapidly, and as a result the number of potential recruits for each job has declined (Exhibit 5). In these circumstances, turnover rates nationally can be expected to rise, and the problems faced by individual employers must be seen against this background.

Local labour markets

20. Within this overall national picture, there are wide geographical differences (Exhibit 6, overleaf), reflecting local labour market conditions. All other things being equal, turnover is most likely to be high where there are a large number of alternative jobs available within the travel-to-work area, and to be low where a change of job involves a house move or a major alteration of travel routine. But differences from region to region also reflect local employment cultures which explain why staff in some areas are ready to change jobs for relatively little additional reward, while elsewhere they are more inclined to stay put.

21. Four local labour market factors have a measurable influence on turnover in the NHS (Box C, overleaf). A recent study covering nurses, midwives and clerical staff in 103 district health authority areas has shown that two factors are particularly significant: non-NHS pay levels for comparable jobs and the size of the private healthcare sector within the district (Ref. 13). At trust level, the presence in an area of more than one NHS trust within travelling distance of where employees live is likely to have the same effect. Earlier studies identified two additional local labour market factors affecting NHS staff turnover: local unemployment levels and the cost and availability of housing (Refs. 14 and 15).

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Markets for professional skills

22. As well as variations in turnover from area to area, there are also important local differences between the turnover rates for different professions. The Audit Commission’s 1995 survey found no relationship between turnover rates for nurses and those for physiotherapists at the same trusts. This suggests that local labour market factors are different for different professions: for example, the most obvious sources of non-NHS employment for nurses may be in private hospitals or nursing homes, which increased their share of the nursing workforce from 8 per cent to 26 per cent in the ten years to 1994 (Ref 8); physiotherapists, on the other hand, may look at jobs in sports or leisure centres or become self-employed and contract to GP fundholders. These opportunities are not the same in every locality.

23. Variations in turnover rates for different professions also arise because, at a national level, the balance of supply and demand varies. A study of six groups of staff classed as ‘professions allied to medicine’ (PAMs) (Ref. 16) shows that while in all cases vacancy levels rose between 1993 and 1995, both the absolute levels and the rates of increase
varied widely (Exhibit 7). The possible reasons for these variations, and the actions that trust managers can take to influence supply in the longer term and to cope with immediate shortages, are considered in later sections of this paper.

Individual development needs
24. For a relatively small number of ‘high-flying’ NHS staff, including managers from both clinical and non-clinical backgrounds, frequent job changes may be one of the consequences of an employment culture that has historically encouraged the ambitious and capable to gain relevant experience by moving from unit to unit. In the past, career paths have to some extent been directed by regional health authorities, but with the delegation of workforce planning to local health authorities and trusts (sometimes acting together) personal career development has become more of an individual responsibility. Narrowly defined roles, a limited view of what may be an appropriate career path, and a shortage of opportunities for secondments and other co-operative working arrangements within and between NHS organisations will tend to mean that this small group of staff continues to change jobs more frequently.

People management
25. None of these factors, however, accounts fully for the high rates of turnover experienced by some trusts. The studies referred to above (paragraph 21) were able to explain no more than half the variances in turnover by reference to labour market factors, and even within a relatively fluid labour market, such as inner London, there are large differences between trusts (Exhibit 8, overleaf). The remaining variation must be due mainly to differences in the employment practices of the trusts concerned.

26. The reasons why people leave their jobs are many and various. But research consistently shows that most leave because they are dissatisfied with their current jobs rather than because they are attracted by
It follows that increased availability of alternative jobs as a result of higher demand (for labour in general or for specific skills) does not in itself generate a desire to move. It does, however, make it more likely that dissatisfied staff will be able to leave.

27. This and other recent research reinforces the long-accepted view that aspects of work associated with dissatisfaction or its absence – the so-called ‘maintenance factors’ – are distinct from those that give positive satisfaction and so act as motivators (Box D). Where managers pay close attention to maintenance factors staff may not be aware of the difference, but when they are neglected, undesirable consequences can often result. These may include high levels of absence, staff sickness and workplace accidents, as well as high rates of turnover.

28. Not all turnover within the NHS is a result of dissatisfaction – the NHS Women’s Unit study found that for some senior staff ‘career motivators’ play an important part in decisions to move from others (Exhibit 9). It follows that increased availability of alternative jobs as a result of higher demand (for labour in general or for specific skills) does not in itself generate a desire to move. It does, however, make it more likely that dissatisfied staff will be able to leave.

Exhibit 8
The range of turnover between trusts in the same labour market

Even within a relatively fluid labour market there are large differences.


Exhibit 9 shows the results of some recent research in the financial sector. Similar reasons for leaving emerged from an earlier study of ITU nurses and from other research covering a wide range of organisations. A fuller picture of NHS staff attitudes to leaving will be available when audits, which include a staff survey designed for the Commission by the Institute of Employment Studies, have been completed.

Box D
Satisfaction and dissatisfaction

Some aspects of work associated with dissatisfaction
- Policy and administration
- Supervision
- Physical conditions
- Pay
- Inter-personal relationships
- Status
- Security

Some aspects of work associated with satisfaction
- Achievement
- Recognition
- Content of work
- Responsibility
- Opportunities for advancement
- Personal growth
2. Is Turnover Manageable?

Exhibit 9
Reasons for leaving and for staying
People leave because they are dissatisfied rather than because they are attracted by other jobs.

Source: Survey of four financial service organisations (public and private sectors) by the Institute of Employment Studies
one NHS organisation to another (Ref. 11). Nevertheless, decisions to leave the service altogether are twice as likely to be influenced by ‘NHS circumstances’ causing dissatisfaction as by career motivators. While some of these circumstances – such as overall NHS policy and administration and the insecurity caused by frequent reorganisations – are outside local control, trust boards and individual managers have a large part to play in making the consequences of centrally driven change bearable for individuals and in reducing other possible causes of dissatisfaction to minimise the loss of staff to the service.
3. Understanding the Local Situation

‘Turnover rates are important and revealing human resource indicators, which board members and managers need to see on a regular basis.’

29. Since turnover clearly has an impact on trust performance, both financial and in terms of quality of care, and can to some extent be controlled, trusts must consider what actions they can take to keep it within acceptable bounds. If action plans are to be realistic and focused, trust boards and senior managers need a thorough understanding of the local situation. This requires three steps:

- monitoring key indicators to identify problem areas;
- analysing the forces at work to see what type of management action might address the problems; and
- matching the trust’s future requirements for skills with their likely availability to ensure that action plans meet long-term as well as immediate needs.

Monitoring key indicators
30. The first step is to understand what is happening within the trust by monitoring key indicators of retention and recruitment. Annual turnover figures for whole trusts have some value. But to really understand their position, trust boards and top management teams need more detailed information, highlighting those professions and operational units that already have high turnover as well as others moving in that direction. The inclusion of other indicators, such as vacancy levels, recruitment delays and staff stability, provides a more complete picture.

31. In the past, the ability of many trusts to monitor and analyse these factors would have been hampered by the inadequacy of their information systems. That is no longer the case: most trusts are now capable of producing reports that analyse turnover in different ways. The Commission’s 1995 survey of acute trusts did, however, reveal that few trusts had carried out any recent analysis (Exhibit 10, overleaf). As more trusts experience problems of high turnover and recognise the need to monitor other indicators as well, the situation should change.

Turnover rates
32. Turnover rates are important and revealing human resource indicators which board members and managers need to see on a regular basis. As with other types of information, the need for detail will vary according to management level. Figures should be collected together with other staff information so that they can be analysed in different ways:

- The minimum requirement is for turnover to be broken down:
  (a.) by professional group; and
  (b.) by the main management divisions used by the trust, such as locality, clinical group or department.

- In addition, trusts with good performance management information should analyse turnover among relevant groups by performance category to find out the extent to which they are losing their top performers.

- Other useful reports can often be produced by modern personnel systems, for example, analysis of turnover by:
  - age;
  - gender; or
  - length of service.
33. Changes in turnover rates are also important as predictors of future problems, or of likely success in achieving more appropriate levels of staff retention in future. Care needs to be taken over how information on trends is interpreted – for example, allowance must be made for seasonal variation. And interpretation of changes must take into account the baseline position: if staff shortages are critical and vacancy levels already high, a decrease in turnover may indicate that only the least mobile and least ambitious staff are left.

34. Particular caution should be exercised when comparing turnover rates between trusts. There are a number of different ways of calculating turnover (Box A, p3). And trusts vary in the composition of their staff, so any comparison must be group-specific. Even then, the optimal rate of turnover will not be the same for different trusts because of the local factors described above.

Vacancy levels

35. The vacancy level, which depends on the ease of recruitment as well as the rate of turnover, provides the simplest indicator of staff shortage at any point in time. High vacancy levels present a problem even if turnover is low; like turnover rates, they need to be monitored over time for each profession and operational unit, with problem areas and any worrying trends suitably highlighted. For records of vacancies to be of any use they must be maintained on a consistent basis, taking account of the method used to calculate turnover rates, and the number of established posts kept under continual review. Calculations based on a theoretical size of establishment that trust managers have no intention of maintaining will only mislead.

Recruitment delays

36. Further evidence of actual or impending staff shortages can come from the length of time that vacancies remain unfilled once recruitment procedures have been initiated. Delays in recruiting to individual posts may indicate a problem in a particular area, even though turnover rates and vacancy levels are generally considered
to be low. It is, however, necessary to eliminate factors that might distort the analysis. Posts that the trust has decided not to fill and deliberate delays, such as short-term freezes on recruitment, should be excluded from the calculation; in trusts where there is widespread and continuous use of such practices, the value of recruitment delays as an indicator will be seriously undermined. Finally, trusts should ensure that recruitment procedures are efficient and effective to minimise delay in filling vacant posts and to ensure that suitable candidates are not lost to other, faster-moving employers.

**Staff stability**

37. A fourth indicator can be useful in assessing the seriousness of high turnover. Monitoring the stability of particular groups of staff – for example, by calculating the proportion of staff in each group which has been in post for longer than a year – helps to identify areas of high risk where cumulative experience is low. These groups can then be targeted for attention (see Section 4 – Taking Action).

**Reviewing the information**

38. These four key indicators – turnover rates, vacancy levels, recruitment delays and staff stability – need to be monitored at a number of different levels in the trust (Box E, overleaf). Because of the danger of information overload, the level of detail provided in any report needs to be appropriate for its target audience, and even at the lowest level it is important to aggregate the raw data: indicators covering small groups of staff over very short periods are of little value.

39. Defining what are acceptable ranges for these indicators, and what values would give cause for concern, is a matter for local judgment. A turnover rate of 20 per cent might be perfectly acceptable for some staff groups at some trusts, but enormously disruptive for other groups or in other trusts. And those trusts with a tradition of facing volatile labour markets in a positive manner will generally be better able to deal with high turnover than those for which it is a new, or only an occasional, problem. Although it is not, therefore, possible to set universal guidelines, every trust should have a framework for analysing combinations of indicators and their associated effects (Box F, overleaf). It is important that trusts assess the seriousness of any emerging problem quickly; once staff shortages become significant, it is hard to reverse a spiral of decline.

**Analysing the forces at work**

40. Monitoring key indicators and reviewing the information that they provide will help trusts to identify the areas of greatest risk. But before an appropriate plan of action can be drawn up, it is important to understand the forces that are influencing turnover rates, vacancy levels and recruitment difficulties in the local situation. This should begin with an analysis of the drivers of turnover described above (Section 2 – Is Turnover Manageable?) going on to consider, in addition, the trust’s recruitment processes.

**Local labour markets**

41. The state of the local labour market is an important influence on a trust’s ability to recruit and retain staff. Trusts therefore need to develop a good understanding of what is happening locally, and in particular to identify their key competitors for scarce skills. This will become all the more important as local pay arrangements develop and trusts have to decide for the first time where they want to be positioned in the remuneration spectrum and what that means in practice for the pay of different groups of staff.

42. A number of trusts are already involved in local pay clubs (which collect local market information and help employers plan...
Box E

An example of a quarterly human resource report to the board on staff turnover

1) QUARTERLY TURNOVER – Global trend

2) TURNOVER – Areas with turnover above 15 per cent

3) VACANCIES – Areas with vacancy levels above 10 per cent
concerted action to address shortages). But even without such formal arrangements, there is scope for trusts to exchange information between themselves – an increasingly common practice – or with other public and private sector employers with a view to improving their understanding. Information may relate to pay and conditions (for which local press advertisements, exit interviews with leavers and job applications can all be good sources) or to likely changes in demand for particular groups of staff. This analysis should take account both of trusts’ own plans and of developments expected locally in primary care, private health and residential care, leisure facilities and (for administrative and clerical staff) office employment in general.

Markets for professional skills

For higher grades of staff and for highly specialised skills, the relevant labour market is often not so much local as regional or national. In a few cases it may even be international. Trusts therefore need to collaborate over a wide area to identify skills that are in short supply. In some professions and staff groups, supply seems to have fallen short of demand for many years; these include operating department assistants, theatre nurses, intensive care nurses, paediatric nurses, occupational therapists and psychologists.

Until 1996, workforce planning and the commissioning of professional education for nursing, midwifery and the PAMs was in the hands of regional health authorities (RHAs). With the abolition of RHAs, these functions have passed to local education and training consortia, which comprise representatives of GPs, social services, private healthcare providers and the voluntary sector as well as all health authorities and trusts. As these consortia develop their roles, they should be in a position to keep abreast of developments and provide feedback to their constituent members.

3. Understanding the Local Situation

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<th>Box F</th>
<th>An example of an analysis framework for helping to interpret turnover and vacancy information</th>
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<tr>
<th>Indicator</th>
<th>Slight</th>
<th>Significant</th>
<th>Severe</th>
<th>Critical</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacancy Level</td>
<td>0-5%</td>
<td>5-10%</td>
<td>10-20%</td>
<td>20% plus</td>
</tr>
<tr>
<td>Turnover</td>
<td>5-15%, static or falling</td>
<td>10-20%, tending to increase</td>
<td>20-30%, rising</td>
<td>30% plus, but may start to fall as staff quality deteriorates</td>
</tr>
<tr>
<td>Recruitment delays</td>
<td>Most jobs can be filled without delay</td>
<td>Some jobs need to be re-advertised</td>
<td>Some jobs vacant six months or more</td>
<td>Many long-term vacancies; some appear unfillable</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Effect</th>
<th>Slight</th>
<th>Significant</th>
<th>Severe</th>
<th>Critical</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service level and quality</td>
<td>Services delivered in accordance with plans</td>
<td>Some delays; service quality below desired standard</td>
<td>Backlogs; facilities closed at times; facilities; numerous complaints</td>
<td>Whole services cut; permanent closure of facilities; breach of contract obligations</td>
</tr>
<tr>
<td>Management focus</td>
<td>Strategic direction, existing quality improvement</td>
<td>Maintenance of existing services</td>
<td>Priority to short-term needs coping with over long-term emergencies</td>
<td>Continually coping with emergencies</td>
</tr>
</tbody>
</table>
Individual development needs

45. If managers fail to recognise and address personal or professional development needs, staff may see moving on as the only way to achieve a satisfying career. Some of these moves are inevitable – an individual trust cannot afford to duplicate expensive skills which may be in demand elsewhere – but some needs can be met by organising secondment or locum arrangements to avoid the permanent departure of the person concerned. Sharing information between trusts on future skills requirements will help to identify such opportunities for co-operation.

46. At the same time, a thorough system of individual development review (usually on an annual basis), leading to an action plan which is subsequently monitored, can identify many personal needs that match trust requirements. A recent study by the Institute of Health and Care Development, which addresses some of the career development issues faced by experienced clinical professionals, has identified a new role here for the education and development specialists in trusts: rather than simply seeing themselves as providers of training, they should take a broader view of the development requirements of their organisations and their professional colleagues, and work as advisers to and supporters of line managers in facilitating development solutions for individuals and teams (Ref. 17).

People management

47. An understanding of the relevant labour markets will tell trusts what alternative employment is available to their staff, and how easy leavers may be to replace. But to know why staff are leaving it is necessary to look within the trust – and particularly at staff groups where indicators reveal that there may be problems. All managers need to be aware of the possible causes of dissatisfaction that must not be neglected (listed in Box D, p14), and to be open-minded in investigating the extent to which these affect their departments or units.

48. Many trusts issue exit questionnaires to leavers. These can provide useful information, so long as they are properly designed to overcome the inherent challenges of obtaining honest and comprehensive responses in sufficient numbers. A subtler means of finding out the reasons behind leavers’ decisions can be the exit interview. Some trusts have made effective use of these, but as they are time-consuming to undertake they should be targeted on specific groups of key staff. Exit interviews should always be carried out by someone outside the direct line of management of the staff group concerned.

49. It is also important to question periodically those who remain. Surveys of staff attitudes supplement the information provided by the key indicators and can be used both to address areas of dissatisfaction and to improve motivation and productivity (Case Study 1). Used in conjunction with

Case Study 1
Using staff attitude surveys

Portsmouth Health Care carries out an opinion survey on an annual basis covering every member of staff, doctors included. Managers are required to draw up action plans to address the issues raised in their areas and to share these and the survey results with their staff.

The 1994/95 survey revealed that staff in a number of departments felt that they were unable to have frank and open discussions with their managers about the issues facing the department or their own effectiveness. Trust management undertook a review of the staff appraisal system and provided additional people management training to line managers. The 1995/96 survey showed a significant reduction in this possible cause of dissatisfaction.
information on local labour markets and professional supply and demand, they may also help trusts to anticipate turnover problems that have yet to become apparent because of limited alternative employment opportunities.

50. Although potentially of great value, attitude surveys should not be undertaken lightly. Trusts need to pay close attention to the design and presentation of surveys and the framework within which they are used, for three reasons:

- good surveys are expensive and time-consuming;
- many organisations are already suffering from survey fatigue; and
- a poorly designed survey used outside the context of a wider programme of change may well lead to falsely raised expectations and ultimately to increased dissatisfaction.

Recruitment processes

51. Retention difficulties can be caused in part by the trust’s own recruitment processes. Analysis of the key indicators may reveal whether or not this is the case: for example, excessive turnover in staff with less than a year’s service indicates a possible mismatch between the expectations of new recruits and the quality of their jobs. Similarly, high turnover among staff with particularly high or low levels of education compared to the rest of their group may indicate that the academic criteria in person specifications are pitched too high or too low for the job.

52. It is also worth examining other aspects of the recruitment processes, for while more effective recruitment will not always bring down turnover, it will mitigate some of the effects of high turnover by improving the flow of appropriately skilled replacements. Trusts should review their personnel information for evidence of shortcomings in recruitment. If certain groups – for example, the over-50s, members of ethnic minorities or people with disabilities – are under-represented in the workforce compared with the local population, it may be that recruitment efforts focus on too narrow a segment of the labour market.

Matching skills needs with availability

53. Having looked at the key indicators and analysed the underlying causes of recruitment and retention problems, trusts need to take steps both to address current problems and to anticipate likely future difficulties. They need to estimate the skills that they will require in the medium term, audit the skills that they have now and then aim to achieve a match between supply and requirement.

54. At the very least, every trust should be looking ahead in planning its future staffing requirements, taking account of likely changes in service needs, productivity and turnover. In estimating turnover it will be important to consider the age profile of the staff concerned and the rights that some staff may have – and may exercise – to take early retirement, even when this is not in the interest of the trust.

55. Where future shortages seem likely, the trust must decide whether it really needs to employ that number of staff in the area concerned. This raises issues that go well beyond the scope of this report, and require very careful consideration. Nevertheless, a trust board faced with a serious current or future shortage problem should not lose the opportunity to take a strategic view of its staffing requirement, using one or more of three possible approaches:

- benchmarking to identify where staff might be used more effectively;
- reviewing structures; and
- reviewing sources of supply.

56. Benchmarking is the process of comparing procedures and performance
levels between and within organisations. It can take place at a number of different levels, from an overall view of the resources used to deliver services to a detailed comparison of the structure and operations of a particular function, supported by information on inputs and the volume and quality of service outputs. It is at the detailed level that benchmarking provides the greatest value, but general indicators also play an important role in pointing to possible sources of good practice on which others may draw (Box G).

57. Benchmarking can provide examples of how to use scarce resources more economically, which trust managers can adapt to local circumstances. But even in the absence of such examples, it can be worthwhile to re-think the staffing structure for providing a service. Is the existing skill mix and grade mix within the provider professions really necessary? Could jobs be re-designed so that they could be performed wholly or partly by other staff groups with appropriate training? Full-scale process re-engineering requires time and resources and may not be appropriate to every service, but, where efficiency or effectiveness is at risk from staff shortages, it will generally pay at least to consider whether the service could be delivered in a different way.

58. The third approach that trusts should consider is to cease to provide a particular service in-house. This may involve buying in a support service from elsewhere; or, where a front-line service is concerned, the trust may approach its purchasers and other providers with a plan to transfer some responsibilities. Not all trusts can be expected to excel in every specialty, and consolidation of staff in centres of excellence may be more conducive to retention than their dispersal among a number of providers, some of whom may struggle to maintain the necessary level of skills.

59. None of these approaches is without its difficulties, and in all cases it will be important to pay careful attention to consultation with staff and professional bodies and to involve experts where appropriate. In particular, plans to consolidate services, whether in response to skills shortages or for other reasons, will generally have consequences that go beyond the boundaries of the organisation and into the wider community, and must be thoroughly thought through. The Audit Commission’s recent management paper, *Form Follows Function*, offers some guidance to trusts that are considering changing their organisational structures (Ref. 18).

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**Box G**

Some sources of comparative information for benchmarking, ranging from the general to the particular

- Health Service indicators
- Patient’s Charter performance indicators
- Audit Commission profiles
- Audit Commission studies and follow-up indicators
- National Performance Advisory Group
- NHS Benchmarking Reference Centre
- Academic and research institutes
- Formal exchange with neighbouring trusts
- Informal exchange with other trusts
- Exchange with private healthcare providers
- Exchange with public or private concerns in other industries
Management Checklist

Understanding the local situation

☐ 1. Does the trust monitor key indicators such as turnover rates, vacancy levels, recruitment delays and staff stability?

☐ 2. Do reports contain an appropriate level of detail to enable managers to spot the areas of risk?

☐ 3. Are managers aware of what is going on in the local labour market and how it might change?

☐ 4. Is there effective communication between trusts and education and training consortia to identify actual and expected shortages in particular professions?

☐ 5. Is a system of individual development review in place to match individual aspirations (where possible) with trust requirements?

☐ 6. Do managers know what aspects of working are causing dissatisfaction and which groups are affected?

☐ 7. Are recruitment processes kept under review to ensure that staff are selected on appropriate criteria from as wide a choice as possible?

☐ 8. Has the trust examined ways of delivering the same services with fewer scarce staff resources or, if that is not possible, ceasing to be a direct provider of those services?
4. Taking Action

‘Good people management depends primarily on the abilities of line managers...’

60. Once a trust has decided what staff and skills it will need in the future, action must be taken to ensure that they are in place as and when required. This involves two stages:
  
  ♦ first, keeping those skilled staff who are currently in post; and
  
  ♦ second, acquiring new skills through staff training and development and external recruitment.

Successful recruitment depends in turn on the availability of a suitable pool of skills from which the trust can draw.

61. This report can do no more than outline some of the approaches that may be appropriate. The action that a trust takes will vary according to local circumstances, including the relative urgency of other elements of the human resources agenda and the knowledge and experience of the staff who will have to see through changes. Good people management depends primarily on the abilities of line managers, and strategies set by trust boards for managing turnover are unlikely to be successful unless the skills are in place to implement them. Human resource directors should be in a position to give specialist advice on most of the aspects of people management referred to here and to point to at least some of the wide range of sources that provide more detailed coverage of the issues involved.

Keeping staff in post

62. Retaining existing staff and their skills means addressing the maintenance factors that can give rise to dissatisfaction. Pay is one of these factors – although not necessarily the most important. Nevertheless, the introduction of local pay bargaining gives trusts the freedom and the responsibility to take full account of local labour market conditions. They can – and must – now demonstrate that they have regard to external comparators in setting levels of pay – although this does not mean slavishly following every movement in the market or always paying exactly the same as other local employers for jobs of a similar size.

63. In the short term, tight financial constraints and the continuing prevalence of nationally negotiated employment contracts mean that few trusts are in a position to make radical changes to actual pay levels, even if some might wish to do so. The immediate value of local pay is in the scope that it gives each trust to develop a reward system that reflects organisational values and concerns, and that covers, at least in its main elements, the whole range of trust staff. A reward system should include not only pay and benefits but also those other factors – such as career opportunities, the work environment and corporate image – that contribute to the appeal of one employer over another. In this context, corporate image derives from the combination of management style and professional excellence that makes staff proud to be associated with an organisation rather than from the more superficial ways in which organisations try to improve their standing with staff and with the public.

64. Changes in a trust’s approach to rewarding its staff can often be at least as
beneficial as increases in the absolute level of remuneration – and far less expensive. Where, however, these involve changes in terms and conditions they must be introduced with great care, as even changes which are beneficial to staff may create fears and anxieties when they are first proposed. Trusts need to be sensitive to these concerns, and to ensure that staff have plenty of opportunity to discuss the implications with their line managers and colleagues before any change takes effect.

65. Many trusts have looked at how they can help staff cope more easily with the responsibilities of life outside work. The introduction of flexible working practices such as annualised hours (Case Study 2), job-sharing schemes, term-time working and home working can dramatically improve working life for staff. These arrangements are most obviously of benefit to those with dependents, but others too may value them. And while some initiatives are likely to be taken up by relatively few staff, the overall message – that the trust is concerned to meet the needs of individual employees – helps to create a positive managerial climate.

66. Other trusts have experimented with more flexible remuneration. South Devon Healthcare, for example, discovered when consulting its staff that some would prefer to forego some of their annual leave entitlement and be paid for working more days, and now (within limits) it offers staff that choice. Camden and Islington Community Health Services has adjusted the annual leave increases given to long-serving staff so that these are stepped more gradually, with small increases from year two instead of a large one-off increase in year five.

67. The introduction of ‘family-friendly’ policies has been encouraged by the NHS Executive as part of its commitment to Opportunity 2000. A specific goal for the three years to 30 September 1998 is to develop recruitment and retention initiatives to prevent any further increase in turnover, especially among nurses, midwives and PAMs. The implementation guidance includes both a policy checklist and a number of references that may be useful to employers (Ref. 19).

68. Whatever corporate initiatives a trust may pursue to reduce possible causes of dissatisfaction, retention is unlikely to improve if staff are badly managed at the level of the department or unit in which they work. By analysing the causes of turnover described above (Section 2 – Is Turnover Manageable?), trust boards and

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**Case Study 2**

**Flexible working**

North Manchester Health Care trialled a ‘self-rostering’ system with the aim of improving working life for its staff and quality of service for its patients. Success was to be measured by reduced sickness absence and staff turnover. Rather than work to shifts set out in a prescribed rota, the scheme required staff to work a given number of hours a year, organised themselves. As long as certain cover levels were maintained, and agreed limits of ‘hours owing’ to the trust not exceeded, staff had complete freedom to choose hours to suit themselves.

A review of the scheme showed impressive results. Since it has been in operation, staff sickness and turnover have both been consistently lower on the self-rostering wards than on other wards. Staff costs have reduced through lower use of temporary staff and managers – freed from organising rotas and booking temporary staff – have more time to spend on clinical matters. All staff report a significant increase in morale. Furthermore, improved staff continuity has meant that patients experience better quality care. After some initial scepticism and opposition, most of the staff concerned have been convinced of the benefits of the scheme, and are now involved in introducing it to other wards.
senior managers will be able to identify the problems that are trust-wide or affect all members of a profession, and those which are specific to a particular work group. They will then be in a position to take steps to improve the quality of management in the problem areas. In some cases, senior management and the trust board may need to review the performance management system to ensure that action on the part of individual managers to reduce dissatisfaction and improve retention is duly recognised.

69. Communication is central to all retention efforts. Poor communication is often cited as a source of dissatisfaction and a contributor to low morale, particularly during periods of change. Successful communication requires active management and an approach that is consistent across the whole organisation (Case Studies 3 and 4).

Acquiring new skills

Training and development

70. In many cases, the best way for a trust to build new skills will be by training existing staff. Investment in training and development can be doubly rewarding. First, training is a powerful motivator – particularly when the staff involved are already highly trained professionals – and can in itself lead to enhanced productivity. Second, by training staff in skills that are in short supply and combining this with the re-design of jobs, trusts can overcome some possible shortages. This is particularly important for staff in professions or specialties subject to high levels of stress or boredom, which include some of the traditional shortage groups referred to in paragraph 43. New recruits may also be more willing to enter those areas if they feel that they are not closing off other opportunities in the future.

Case Study 3

Communicating a consistent approach

York Health Services Trust has been developing a consistent and well-defined approach to staff management over many years. Central to the Trust’s style of management is the maintenance of good communication channels and the willingness of management to be open to, and persuaded by, staff concerns. Thus plans to develop pay systems related to team and organisational performance reflect staff views expressed during a consultation exercise on the principle of performance-related pay.

Regular celebratory events are held to acknowledge and thank those responsible for high levels of individual or team achievement and those who have achieved long service with the Trust. The Trust shapes employment contracts to fit the member of staff, rather than rigidly forcing staff to fit the contract. Numbers of part-time employees have increased significantly and the Trust has been able to attract and keep qualified staff who have returned to the labour market after a period of family care. A system of devolved budgets and decision-making which encourages operational managers to take flexible approaches to staffing their areas of responsibility is critical to this achievement. Managers are able to grant staff up to ten days’ unpaid leave for a variety of reasons.

In addition, the trust offers staff:

- a child care co-ordination service;
- confidential staff counselling organised through its occupational health department;
- an internal staff development programme based on competencies;
- a well-developed range of staff benefits;
- career breaks with a guarantee of work on return and ‘stay in touch’ sessions for those away; and
- internal and external secondments to help develop staff.
71. Training in a range of job-specific skills should be combined with a commitment to continuing professional development. Needs for both types of training should be regularly reviewed with staff as part of the performance appraisal process. This provides the essential link between the aims and objectives of the trust and the contribution that each individual can make. It should provide for a personal development plan to be drawn up for each member of staff, setting out the actions to be taken both by the trust and the individual to enable his or her contribution to be maximised. The Audit Commission will be looking in more detail at staff development as part of its future programme of work.

Recruitment and induction
72. For some skill requirements, trusts will need to recruit from outside the existing workforce. Clearly, what is most important is to appoint the right person for each particular job. An employee is more likely to leave a job in the first year than in any subsequent year, often because the job fails to live up to expectations. It follows that managers looking to recruit externally should give as much information as possible about the jobs concerned, and resist the temptation to oversell, since that will not benefit the trust in the long term.

73. The consequences for a trust of making the wrong appointment can be just as serious as for the individual. It is therefore essential to ensure that person specifications are drawn up with care, specifying the skills required, and that all those involved in the selection process are trained to elicit the maximum relevant information. The aspects of good practice identified by the Commission (Ref. 4) as key to effective recruitment in local government – good planning, careful monitoring, matching techniques to requirements and consistency without uniformity – are no less critical in the NHS.

Widening the base
74. As well as addressing their own immediate needs, trusts need to ensure an adequate supply of skills for the future. There is an important role here for education and training consortia, not only in projecting future requirements but also in ensuring an adequate supply of trained professionals, particularly in those professions that have traditionally experienced shortage. Trusts should ensure that their representatives on these consortia are well informed and well supported so that they can have a real influence on the future resources available nationally.

75. At trust level, it is important to gain access to as large a pool of skills as possible. In nursing, the advantages of a well-run ‘bank’ system have been recognised for many years. More recently, some trusts have applied similar principles in setting up banks of administrative and clerical staff.

Before becoming a trust, Llandough Hospital consulted staff on how it might take advantage of trust freedoms in employing staff. Among other things, staff said they wanted greater flexibility in employment, particularly to help those with dependents. Managers can now grant paid ‘carer leave’ of up to three days to help staff cope with home emergencies; paid maternity leave has been extended to 18 weeks; career breaks are available to all staff, irrespective of the reason behind the request; and all jobs have been opened to job-shares. The healthy relationship with staff thus developed has helped managers in other areas, such as in securing the full co-operation of staff-side organisations in working with the Trust’s management to reduce sickness absence levels.
Available clerical staff within a trust’s travel-to-work area are (in contrast to nurses) unlikely to have worked for the NHS before, still less for that particular trust, so a bank system can widen as well as maintain the recruitment base.

76. It can also pay trusts to keep in touch with leavers (who may at some point return to the trust, even if they have not formally opted for career breaks), and to ensure that they are kept up to date with changes in professional practice where this can be done without too heavy a time commitment. A recent survey of nurses, midwives and health visitors asked those who were currently out of service, or who had recently returned after working in another field, what measures could or did encourage or enable them to return (Ref. 12). The largest number (70 per cent) considered that refresher courses, including updating in recent developments, could make a big difference: this was one of the two factors (the other being flexibility of working arrangements) most frequently ranked as the most important.

Avoiding stagnation

77. A trust that has taken the measures suggested so far in this section will be well placed to deal with current or future problems of high turnover. But, as has been recognised, low turnover can also be a problem. Furthermore, low turnover in one part of the organisation, particularly at higher grades, can often lead to high turnover among experienced junior staff who see only limited opportunities for promotion.

78. One answer is to develop staff at all levels so as to increase mobility within the trust and thus create succession opportunities. Multi-skilled staff are likely to be more marketable but also more likely to find new opportunities within the trust that will enable them to stay with the same organisation without becoming stale. In these circumstances, a low rate of turnover may be more tolerable.

79. It is inevitable that from time to time some of the most able staff will see their best chances of career progression lying elsewhere. But the trust that is confident of

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Case Study 5

Establishing a clerical staff ‘bank’

Southmead Health Services established a clerical reserve in the late 1980s when there was concern at the possible shrinking of the employment base. Recruitment efforts were in the first instance directed at former employees, but the majority of the 90 staff now participating in the scheme have joined from outside the NHS in response to trust advertising campaigns.

The success of the scheme initially depended on managers re-thinking their approach to covering short-term vacancies: instead of obtaining full-time replacement staff from an employment agency, they were asked to make use of part-timers with a variety of working patterns.

Compensating benefits were:

- a saving in payments to agencies;
- immediate access to temporary staff with an understanding of the trust’s systems and culture; leading to
- lower induction costs.

The clerical reserve now supplies practically all the trust’s short-term needs and, in addition, is a significant source of recruitment to permanent posts, both full-time and part-time; since the recruitment process is far more likely to yield a satisfactory result, this results in a further saving in the costs of recruitment as well as induction. The trust continues to advertise externally both to fill vacant posts and to maintain the level of the reserve, thus ensuring that the widest selection of candidates is encouraged to apply.
its own attractiveness as an employer will see this not as a loss but as an opportunity to spread the good practice that it has developed, to enhance its reputation in the market place and to attract replacement staff who can bring new experience and equal enthusiasm to the task.

80. The greatest hazard facing trusts with low rates of turnover is that pay rates may be allowed to drift upwards to levels at which staff ‘cannot afford to leave’. Local pay gives an opportunity for trusts to address that issue and ensure, over time, that pay levels take account of market conditions, whether in the local labour market or in the wider regional or national markets for senior nurses and managers and some specialised groups.
Management Checklist

Taking action

☐ 1. Has the trust developed a comprehensive reward system that reflects organisational values?

☐ 2. Have opportunities for flexible working and flexible benefits been fully explored?

☐ 3. Does the performance management system give full weight to people management as a critical performance factor for line managers?

☐ 4. Is the trust listening to staff when framing its people management policies?

☐ 5. Are both job-specific training and continuing professional development provided within the framework of a personal development plan for each individual?

☐ 6. Is recruitment tightly managed to ensure that the right candidate is appointed every time?

☐ 7. Does the trust play a full part in the local education and training consortium and so effectively influence the future supply of skills?

☐ 8. Are systems in place to maintain contact with leavers and to keep their skills up-to-date?

☐ 9. Is there an active approach to staff development which creates new opportunities for staff within the trust?
5. Conclusion

81. As the nation’s largest employer, the NHS is exposed to all the problems of recruiting and retaining staff against a background of little growth in the workforce and increasing competition for scarce skills. Nationally, there is a need to reduce wastage from the service as a whole; at local level, it is important to maintain levels of turnover that balance the organisational stability required to see through long-term changes with the introduction of fresh perspectives.

82. Success in reaching these objectives depends on effective people management at trust level. This bulletin has presented some examples of good practice which have contributed to the successful management of staff turnover at different trusts. Not all the approaches taken will be appropriate at every trust or in every area of activity, but every trust board needs to set a policy framework within which local problems of recruitment and retention can effectively be addressed.

83. Putting all this into effect depends on the trust having capable line managers. Much of the action that can be taken to retain and motivate staff is in the hands of immediate line managers, and turnover figures – both at department and trust level – will reflect the quality of that local management. Line managers must accept that management of turnover, and of the factors that influence it, is their responsibility, and should receive regular reports to reinforce the message.

84. But a system of devolved management responsibility for staff retention – and so for performance – is unlikely to work consistently unless managers adhere to common standards, follow agreed policies and have equal access to support. Line managers need to know what options are open to them and what support they can expect. The provision of a corporate framework for people management is therefore a critical responsibility not just of human resource professionals but of trust boards.

85. In the past, RHAs have played an important part in workforce planning and in monitoring (and in some cases controlling) the arrangements for people management at local level. That role either has been, or is in the course of being, devolved to education and training consortia and to individual trusts. There remains, however, an important role for the NHS Executive in setting the policy framework within which individual trusts manage their staff and in establishing a long-term understanding or ‘psychological contract’ between NHS staff and the NHS as a whole that underpins the formal employment contracts between staff and their employer trusts.

86. Local audits covering the issues raised in this paper will be carried out in the coming months. The audit, which is optional for trusts, aims to help them understand their current position and to improve their future management of turnover, recruitment and retention of staff.
References


Appendix

The following helped with the study:

Trusts
Bradford Hospitals
Bridgend & District
Camden & Islington Community Health Services
Central Nottinghamshire Health Care
Llandough Hospital & Community
Norfolk & Norwich Health Care
North Manchester Health Care
Portsmouth Health Care
Royal Devon & Exeter Healthcare
Salisbury Health Care
South Devon Healthcare
Southmead Health Services
University College London Hospitals
Warrington Hospital
Worthing & Southlands Hospitals
York Health Services

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Dr Robert Wilson Institute for Employment Research, Warwick University
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